

NEWS: EUROPE

Public sector deficit more than 3% of GDP last year, says Waigel

Germany 'failed Maastricht test'

By Judy Dempsey in Wildbad Kreuth

Mr Theo Waigel, the German finance minister, yesterday said Germany failed last year to meet the Maastricht treaty criterion for reducing the public sector deficit to below 3 per cent of GDP.

The CSU leader's remarks challenged estimates published earlier this week by the Cologne-based Institute of the German Economy (IWF) which had confidently predicted that Germany's public sector deficit for 1995 would amount to 2.9 per cent of GDP.

Mr Waigel's comments were a veiled attack on the opposition Social Democrats, who are in power in the majority of the 16 states and in the large cities and towns. He insisted that the government this year would attempt to impose a moratorium on higher spending projects among the states and also apply pressure on them to live off some of the public sector - for example water, garbage collection and energy - to the private sector.

Mr Waigel's comments coincide with growing concern in the government about rising unemployment. This could put a brake on economic growth for the coming year and possibly make it even more difficult for the government to keep the budget deficit within the Maastricht criterion.

Old foe of west is new Russian foreign minister

By John Thornhill in Moscow and Bruce Clark in London

President Boris Yeltsin yesterday startled the diplomatic world by appointing as foreign minister Mr Yevgeny Primakov, Moscow's chief spy-master and an old friend of some of the more radical regimes of the Middle East.

This is a dramatic sign of an anti-western turn in Russian policy, said Mr Peter Rodman, a former senior US official. "A sophisticated foreign affairs analyst who is openly sceptical of western intentions towards Russia, Mr Primakov has been head of the external intelligence service (SVR in Russian) since it was spun off from the Soviet KGB in 1991."

loody about the activities of western intelligence services in the former Soviet Union - and to judge by the steady trickle of Russian diplomats who have been expelled from western capitals since the Soviet collapse, the feeling of suspicion is entirely mutual.

SVR takes considerable pride in its role as joint heir to the KGB. Mr Primakov's appointment would appear to be at odds with Mr Yeltsin's reassurance that there would be no radical change of foreign policy following Mr Kosyrev's departure.



Yevgeny Primakov: openly sceptical of western intentions

Navy, which is well informed on Russian foreign policy, portrayed him as a born survivor who had transformed himself masterfully to meet the political needs of the time.

moderate centrist under Brezhnev, a liberal under Gorbachev, a fierce politician of the conservative wing under Yeltsin - these are the stages in the political evolution of Yevgeny Primakov," it said.

Bildt 'working on a shoestring' in Bosnia

By Lionel Barber in Brussels

Mr Carl Bildt, the civilian co-ordinator in Bosnia, yesterday rejected charges that he had made a sluggish start, saying he was running a shoestring operation in Sarajevo, a city more divided than Berlin during the cold war.

rather than relying on Nato or the EU to impose a settlement. In his own defence, Mr Bildt said he was putting together an operation from scratch, having been barred from taking over existing UN facilities, including office space and telephone lines.

Mr Bildt said he had paid DM45,000 for five telephone lines, and had to negotiate "for every telephone line and every square metre of office space". Only the EU, the European Parliament, and the European Commission had come forward

with funds for his mission. It will be around 45 to 50 people in Sarajevo with support staff in Brussels.

Mr Bildt also expressed concern about the slow provision of police officers to monitor the peace. Around 1,700 were needed, but fewer than 100 had arrived in Bosnia - despite worrying incidents such as the

Wooing voters by telling the bad news first

Spain's opposition leader Aznar promises years of austerity and self-discipline, writes David White

Several years of austerity and self-discipline would seem a dour offering for an opposition leader to make to voters for his party's first ever stint in national government. But Mr José María Aznar, the 42-year-old leader of Spain's centre-right, is adamant.

that the financial markets, already warning to the prospect of a change of government, are likely to punish a new administration if it does not take early measures to prove its seriousness about meeting the economic convergence targets for the European single currency.

Spanish and international opinion have to see from the start of Day One that decisions are being taken," he says.



José María Aznar: tackling budget deficit comes first

Mr Aznar, in London yesterday for talks with Mr John Major, the prime minister, and other UK ministers, left no doubt about what he saw as his first and most important job - to tackle the budget deficit.

He made clear in an interview that cuts in income tax rates promised by his party as part of a far-reaching fiscal reform would have to come later.

Mr Aznar's ready-made answer betrays just how unsettling the French precedent has been for the PP. The two countries are very different, he insists. Spain does not have the problems France has in coming to terms with a united Germany; and there is no "civil war" between different centre-right factions.

Mr Aznar is not making job promises - 13 years ago Mr González somewhat unwisely promised to create 800,000 jobs - but wants to increase the proportion with stable jobs rather than temporary contracts.

He cannot reduce unemployment rate, and that is our great priority," he adds. Unemployment in Spain is 23 per cent, and joblessness among the young is as high as 40 per cent, he says.

Dini call to avoid power vacuum

By Andrew Hill in Milan

Mr Lamberto Dini, the Italian prime minister, last night urged the Italian parliament not to plunge the country into a power vacuum.

Opening the debate on the future of his technocratic government, Mr Dini said he hoped the lower house of parliament would decide not to open a period of "uncertainty and power vacuum", at a moment when Italy had just taken over the presidency of the European Union.

After outlining the legislative and economic achievements of his government, Mr Dini said there were two options available to the parliament, other than deciding on early elections.

EUROPEAN NEWS DIGEST

Andreotti faces Mafia accuser

Mr Giulio Andreotti, seven times Italy's prime minister, yesterday came face to face for the first time with the informer who has accused him of having links with the Mafia.

Mr Kazys Raikis, the governor of Lithuania's central bank, offered to resign yesterday over a banking crisis that has shaken the Baltic state's fragile market economy.

Bayer faces Ecu1m Brussels fine

Bayer, the German pharmaceutical company, is expected to be fined more than Ecu1m (\$1.2m) in an anti-trust decision to be approved by European commissioners today.

Swiss companies look abroad

Swiss companies invested a record SF15.1bn (\$13bn) abroad in 1994, continuing a recent trend to shift research, development and production bases to less expensive and more creative locations than Switzerland.

Germany may merge coal mines

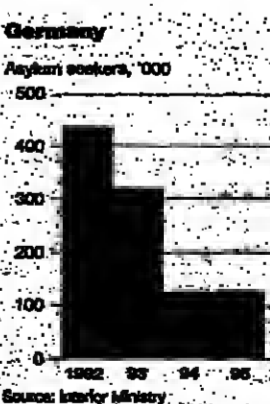
The German government is considering proposals to fuse the country's two biggest coal mining companies, Ruhrkohle and the state-owned Saarbergwerke, as part of an effort to streamline production of coal which already costs DM200 (\$138) a tonne more than imported coal, according to government officials and industry executives.

German who sold freedom fined

Mr Wolfgang Vogel, the former communist East German official who helped more than 280,000 people to escape to the west, was yesterday given a two-year suspended prison sentence and fined DM22,000 (\$8,400) for blackmailing at least four of the people he assisted.

Bonn concern at asylum seekers

The number of foreigners seeking political asylum in Germany was barely changed last year compared with 1994, but the interior minister said the total number of people applying was still too high.



THE FINANCIAL TIMES Published by The Financial Times (Europe) GmbH, Mittelweg 36, 69126 Heidelberg am Main, Germany. Telephone +49 6221 156 420. Fax +49 6221 156 441. Telex 310107 Represented in Frankfurt by J. Walter Brandt, Wilhelmstrasse 10, D-60331 Frankfurt am Main, Germany. Editor: Colin A. Kennard, Geschäftsführer and in London by David C. M. Bell, Chairman, and Alan C. Miller, Deputy Chairman, Shareholder of the Financial Times (Europe) GmbH and The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholder of the above mentioned two companies is The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, GERMANY.

سكنا من الاصل

Assassin kills leading Turkish businessman

By John Barham in Ankara

Mr Ozdemir Sabanci, one of Turkey's wealthiest businessmen, was shot dead yesterday by a lone gunman who penetrated tight security at his company's headquarters in Istanbul.

The killing shocked the Turkish business community. Mr Sabanci's murder revived memories of extremist violence in Turkey in the late 1970s. Although several urban terrorist groups claimed responsibility for the killing, many in the Istanbul business world believe the killer was a professional assassin and that Mr Sabanci's murder may have been related to his business activities.

One of his colleagues said: "Ozdemir, an associate and a secretary were killed with the silenced gun in a room next door to the boardroom where other members of the family were in a meeting. If it really was political, why not kill the whole family?"

The Sabanci family owns Turkey's second largest business group, Sabanci Holding, with interests that range from textiles to banking and cars. Mr Sabanci, son of the conglomerate's founder, was a retiring figure who was consid-

President Sileyman Demirel yesterday formally asked the leader of the radical Islamic Refah party to form Turkey's next government, writes John Barham.

Although Mr Necmettin Erbakan, the party's leader, now has 45 days in which to find a coalition partner, analysts doubt that he will be successful. Refah won 158 seats in the 550-member parliament in elections last month, more than any other party but still far short of a majority.

The leaders of the other four parties in parliament have said they will not work with Mr Erbakan, despite speculation that the conservative Motherland party would enter a coalition. If Refah fails to form a government, Mr Demirel is expected to attempt to broker a coalition led by the True Path party of outgoing prime minister Tansu Ciller.

ered the family's industrial mastermind. He set up a joint venture with Toyota of Japan to build Corolla cars in Turkey. A \$325m automobile plant was established near Istanbul in 1990 - the biggest single Japanese investment in Turkey.

The death of Mr Sabanci immediately led to tightened security at corporate headquarters all over Istanbul, Turkey's business capital, where the fear of terrorist attacks has always been strong.

However, gangland killings of business figures have also become more common. Last month Mr Ismail Yener Kaya, a financier and candidate in the general elections, was burnt to death in his car. In November Mr Nesim Malki, a

textile magnate and financier was shot dead. Yet neither enjoyed Mr Sabanci's stature in the business world and his death has further shaken business morale, already battered by the election victory of the fundamentalist Refah party in the December elections.

As news of his death spread around the city's business district, the corporate world's already sombre mood deepened further.

One European banker said: "Everybody in business is frightened stiff of Refah. Now this assassination only makes the mood worse. The country is rudderless, with no direction. Nobody wants to take any decisions, markets are dead in the water."

New sell-off fever grips Slovaks

The Slovak government is due this month to publish details of a promised bond issue to compensate investors in an abandoned mass privatisation programme.

About 3.5m Slovaks bought coupons in 1994 in the hope of participating in a round of mass privatisation. But it was cancelled by prime minister Vladimir Meciar after he took office just over a year ago.

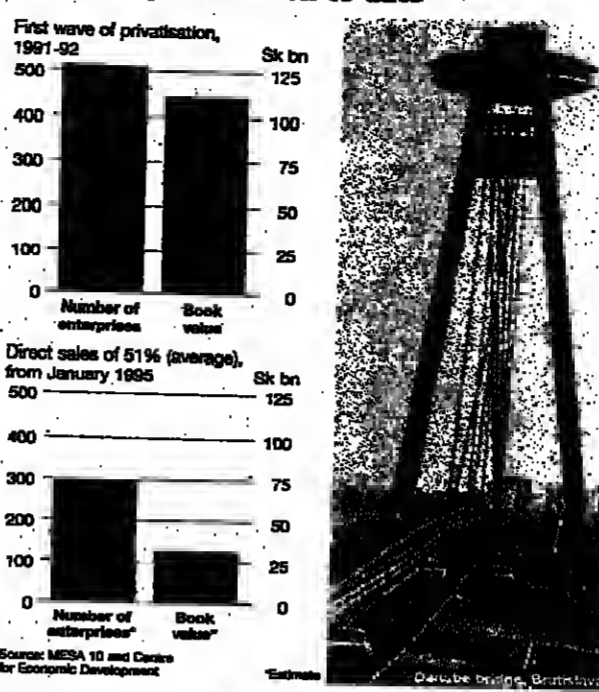
They paid a small sum for coupons they had hoped to exchange for shares in \$660bn (\$2bn) worth of state industries, such as gas and electricity distribution companies. Instead, each coupon holder will get a nominal \$10,000 bond backed by assets of the National Property Fund (NPF), a state holding company.

The bonds may be used for such purposes as paying for an apartment or contributing to a private pension scheme, and are likely to be transferable. The government has yet to spell out precisely how the issue will be structured.

The cancellation of the mass privatisation programme attracted much criticism, but this has been dampened down by the generous compensation.

Moreover, those who feared sell-offs would be abandoned altogether have been proved wrong. Adoption of "standard methods" of privatisation has quickened the pace, with hun-

Slovakia: privatisation to date



dreds of sell-offs in the second half of 1995 at an estimated book value of \$1bn. These range from small factories to a 39 per cent stake in the petrochemical group Slovnaft.

Most sales have been made to management and workers at the enterprises involved.

About 65 per cent of gross domestic product is now gener-

ated by the private sector, and Slovakia is set to record 6 per cent growth in 1995, second highest in east Europe's emerging markets after Albania.

Yet the current round of privatisation fever has attracted criticism. Some assets have been sold at knock-down prices and buyers have 10 years to pay. The fear is that company

cash flow will be diverted as dividends to the new owners so they can meet payments to the NPF. "The company is paying for its own acquisition in the end," said Mr Jean-Christophe Ganz, manager of ING Bank in Bratislava.

Another criticism is that if an enterprise is deemed important enough, an ambiguous law on strategic enterprises enables the state to retain a golden share that allows it to wield influence after the stake has been sold.

Most contentiously, critics say assets are sold only to those deemed loyal to Mr Meciar's Movement for a Democratic Slovakia. Scores of company bosses were replaced last year by allies of the government before the sales.

Mr Egozo Jurzyca of the Centre for Economic Development, a think tank, said he doubted the wisdom of what he termed "family-circle privatisation". Selling companies on the cheap threw away money that could be used for social spending and the relief of bad debts.

It also promoted inequality, he said, by concentrating potentially valuable assets among a narrow group who could then sell them on at great profit.

Mr Meciar defends the government's approach to retaining state ownership: "Various lobbies say our methods are undemocratic. We think they are necessary and inevitable."

The aim was to create a native entrepreneurial and managerial class, which Slovakia lacks. He cancelled the mass privatisation process because it could have led to foreign companies buying up large parts of Slovak industry.

Economists also play down the political dimension of privatisation. For the National Bank of Slovakia the important thing was that it was continuing, said Ms Elena Kohutkova, head of the central bank's monetary policy unit.

The main disadvantage of selling state assets to employees is that it does not introduce new capital to cash-starved enterprises. This raises the question of how the cost of the bond issue will be met. The bonds are due to mature in 2001, requiring the NPF to have up to \$3.5bn available to pay out. Meantime, there is interest based on the discount rate (currently 9.75 per cent).

Although not all holders are expected to retain the bonds to maturity, economists warn the scheme could cost \$5.5bn.

Another question is how industry will be restructured. Foreign investment is one solution, and observers such as Mr Jurzyca expect a push to attract it next year. This would be a government vote face but one Mr Meciar might be pragmatic enough to pull off.

Vincent Boland

France outlines plan to reform telecom sector

By Andrew Jack in Paris

The French government yesterday stated its intention to create an independent telecommunications regulator and to introduce competition against the state monopoly provider by 1998.

Promising a continued important role for France Télécom, the state operator, Mr François Fillon, telecoms minister, stressed the importance of maintaining a "public service" network offering "affordable" tariffs across the country as a necessary part of regional development policy.

However, he conceded that the cross-subsidies provided by long-distance telephone users - notably business - to local users would be "progressively re-balanced" over time, while arguing that the European Commission's demands for this to take place by the start of 1998 was "unrealistic".

His comments came on the day that the consultation period closed for the government's proposed reforms to telecoms regulations. Mr Fillon said draft legislation would be ready by this summer ahead of a new law which would come into effect at the start of 1998.

Mr Fillon spelt out five guiding principles: guaranteeing for everyone a quality public service; guaranteeing users simple access to more services; creating an environment favourable to the development

of competition; developing the competitiveness of France Télécom; and ensuring fair competition through the creation of an effective regulator.

The government is widely expected to launch the sale of a minority stake in France Télécom this year or next, in spite of strong opposition from trade unions. Mr Fillon stressed yesterday that the state would remain in the long-term the majority shareholder.

"The minister said he did not 'at this stage' favour splitting the universal provision of the basic telephone service into a range of geographical zones which could be shared between different operators. But he said there would be room for competition through rival local and regional operators, which would be obliged to contribute to the public service costs currently incurred by France Télécom.

He said he had taken heed of calls for a clarification of proposals in the types of telecoms licences that are issued, and that the rights of access and other requirements should be the same for the state company and other groups entering the market.

He stressed that maintaining the status quo was unrealistic because "we cannot resist new technology for long", but argued that his recommendations would not ignore specifically French priorities.

Swedish interest rate cut signals policy change

By Christopher Brown-Humes in Stockholm

Sweden's central bank yesterday cut its key interest rate for the first time in nearly two years, saying economic growth was likely to be weaker than expected in 1996.

The cut, which lowers the bank's repurchase rate by a quarter of a percentage point to 8.66 per cent, signals a shift to looser monetary policy after a series of rate increases since August 1994.

It shows Sweden belatedly joining a European trend towards lower interest rates to counter slower economic growth.

Mr Urban Bäckström, Riksbank governor, said the cut had been made possible by increased international confidence in Sweden's tough programme to eliminate its budget deficit and stabilise its debt, as these had brought a sharp rise in the krona and much lower bond yields.

"The situation in Sweden improved considerably during the summer and autumn of 1995," he said. He also pointed to an easing of inflationary pressures. This made it more likely that the bank would reach its 2 per cent inflation

target in the coming months. Mr Bäckström said the bank expected "a somewhat weaker 1996 than it originally thought" but it anticipated a revival in economic activity in the second half.

The bank still considers the krona to be undervalued, despite its strong recovery in recent months, but declines to set a target for the currency. Economists forecast that the Swedish economy will expand by around 2 per cent in 1996, considerably slower than last year's 3.5 per cent growth rate. Figures from the government's National Economic Research Institute yesterday showed clear evidence of weaker industrial demand in the final quarter.

Financial markets reacted positively to the rate cut, marking bond yields down by between 10 and 15 basis points. The 10-year bond yield now stands at 8.22 per cent, compared with 11.5 per cent in early 1995.

Mr Bäckström said it was the first time for 20 years that Sweden had seen a sharp weakening of the krona - as it did after the currency was floated in late 1992 - without seeing a big jump in inflation several years later.



Charles Schwab, discount broker pioneer, picked up his first copy of Forbes at his father's law firm in 1959.



Larry Ellison, founder and CEO of Oracle, started reading Forbes as a computer programmer in 1972.



Michael Dell, founder and CEO of Dell Computers, borrowed his first copy of Forbes from his mother in 1978.

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NEWS: WORLD TRADE

Boeing outpaces Airbus for \$4bn order

By Michael Skapinker, Aerospace Correspondent

Malaysia Airlines yesterday confirmed that it was buying 25 Boeing aircraft, with the order for engines split between Rolls-Royce of the UK and Pratt & Whitney of the US.

blow to Airbus Industrie, the European consortium. Last year, Singapore Airlines ordered 77 Boeing 777s in preference to Airbus aircraft.

Boeing said the Malaysian order was worth \$4bn. The airline has also taken options on a further three 747s and two 777s.

with our proposed destinations. Airbus said it was disappointed with Malaysia Airlines' decision. The airline has bought Airbus A330 aircraft in the past.

Rolls-Royce will supply engines for the Malaysian 777s - one of a string of successes for the UK manufacturer in the Asian market.

\$475m. It had won about 60 per cent of the Boeing 777 market in the Asia-Pacific region, and about 35 per cent of the market worldwide, including firm orders and options.

France calls for tighter curb on banana imports

By Guy de Jonquieres

The French government has called on the European Union to impose tighter restrictions on imports of "dollar" bananas from Latin America and to compensate producers in former European colonies for lower prices and lost revenues.

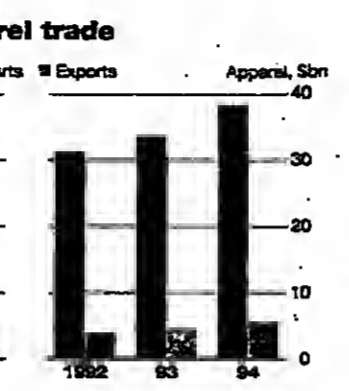
French officials said Mr Juppé had complained that ACP and EU banana producers, which were still struggling to recover from lost revenues caused by crop damage, had been further harmed by a glut of "dollar" fruit, which had depressed prices in Europe.

Fruits of textiles pact fail to ripen

Poor nations have yet to see benefits from accord, writes Frances Williams

The implementation of a landmark international agreement on textiles and clothing trade, intended to phase out decades of protectionism, has been among the one-year-old World Trade Organisation's biggest headaches.

US textile and apparel trade. Textiles, \$bn. Imports. Exports. Apparel, \$bn. 1992 93 94.



However, three cases are still in limbo. In one the TMB agreed there was no serious damage but said there was an actual threat of serious damage to the US industry.

However, US objections to the banana regime may be raised in talks in Brussels today between Mr Daniel Glickman, US agriculture secretary, and Mr Franz Fischler, EU agriculture commissioner.

Some officials believe Mr Juppé's letter may be intended to discourage the EU from trying to head off US trade action by offering a compromise deal which would lift restrictions on Latin American banana imports.

It has since come under fire from developing country exporters such as Hong Kong and India which think it should be taking a more robust line in favour of freer trade and are critical of its secrecy.

After six renewals of the MFA since 1974, the US textiles industry may have been lulled into a false sense of security, says one Asian trade diplomat.

These worries have been underscored by 24 US quota "calls" last year, imposing new restrictions on 14 developing country suppliers in Asia, Latin America and the Caribbean under a safeguard clause in the textiles accord.

Trade officials warn that this discount risks spilling over into the WTO's first ministerial meeting in Singapore next December. "A number of developing countries may not accept new WTO negotiations without concessions on textiles," says one.

Donors pledge extra \$865m of aid to Palestinians

By David Buchan in Paris

Some 50 countries and international organisations yesterday pledged an extra \$865m of aid to the Palestinians, more than enough to cover the Palestinian Authority's programme of \$500m worth of projects and its anticipated \$75m deficit this year.

support for the peace process before the Palestinian elections due to take place in the West Bank and Gaza Strip on January 20.

Mr de Charette noted that, together with some \$500m in aid pledged earlier but still unspent, yesterday's financial pledges brought to \$1.365bn the amount of foreign aid available to the Palestinians for the period between now and March 1997.

The biggest pledges yesterday came from the European Union with \$120m, Saudi Arabia with \$100m, the World Bank with \$90m and the US with \$71m.

Mr James Wolfensohn, president of the World Bank, which is co-ordinating the aid, said the priority projects included housing, transport, water, sewage and health.

Various donors have pledged aid in kind, particularly technical assistance responding to their specialities, such as Dutch and German help in improving the port of Gaza.

Shin Bet resignation raises questions for security probe

By Julian Ozanne in Jerusalem

The carefully timed resignation of the head of Israel's Shin Bet has restored some credibility to the internal security agency but raised questions about the inquiry investigating the security lapses in the assassination of former Prime Minister Yitzhak Rabin.



An Israeli newspaper shows the disguised former security chief

Shin Bet has been racked by doubt since Mr Rabin's assassination exposed breaches of security in the protection of the prime minister and a failure of intelligence gathering about right-wing extremists involved in the assassination.

Surrounding the Rabin assassination have been questioned by the commission. Security officials said Kaf was deeply upset by the way he had been treated by the three-member commission.

mission of investigation. Kaf is a man of honour. He is also a clever man. With the help of these two qualities he has managed to emerge honourably from a battle which was lost from the start.

Despite signs that the agency is functioning efficiently, Kaf's personal role in the failures surrounding the Rabin assassination have been questioned by the commission.

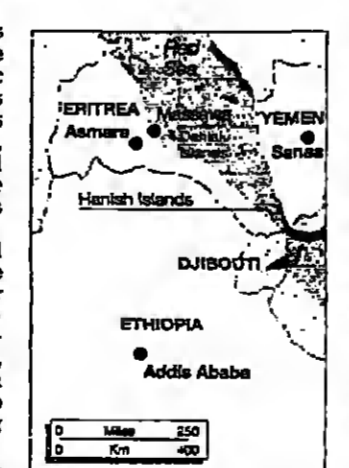
Senior government officials have also rallied to Kaf's defence. Mr Moshe Shahal, minister of internal security, said yesterday that he had restored the Shin Bet's reputation before he quit.

Kaf is likely to be succeeded by a senior military officer.

Allies fall out on Africa's Horn

Michela Wrong on territorial tensions between Eritrea and Yemen

The Horn of Africa has seen the site of a rare spat of diplomatic activity over the past 10 days with Mr Boutros Boutros Ghali, UN secretary-general, shuttling between Eritrea and Yemen in an attempt to settle a territorial dispute that has cost a dozen lives.



French company Total already has oil exploitation projects in Yemen and has begun preliminary work on what could result in a multi-billion-dollar project to export gas from there.

The problem is that, partly because of the years of turmoil, national coastal waters were never defined after British administrators pulled out of both countries, leaving the limits of ownership to be determined by habit and tradition.

The Eritrean government still needs to evaluate its stocks and suffers from a desperate shortage of fishing vessels, cold storage, processing and transport facilities vital to the industry.

Both exposure drafts would require disclosure of basic earnings per share and diluted earnings per share as a measure of performance.

Global accounting standards step closer

By Jim Kelly, Accountancy Correspondent

The recognition of international accounting standards as a force in global financial reporting took a further step forward yesterday.

The US Financial Accounting Standards Board (FASB) and the International Accounting Standards Committee (IASC) announced that they had approved similar draft codes on the disclosure in annual accounts of earnings per share.

Earnings per share, broadly the after-tax profit attributable to each share in a company, is one of the key performance indicators favoured by the users of accounts.

"I will be working to ensure there is much closer co-operation between IASC and standard setters in North America, Europe and elsewhere as we work towards our goal of global accounting standards for use in cross-border listings in markets throughout the world," he added.

PM's ally becomes ambassador to Bonn

By Robert Peston and Bruce Clark
Britain yesterday named its new ambassadors to Germany and France...

his former deputy, Mr Jonathan Haslam, now head of information at the Ministry of Agriculture...

the convention that, as a career government officer, he should not get involved in party politics...

Before joining the Downing Street team, Mr Meyer, 51, was deputy head of mission in the Washington embassy...

He is taking the appointment at a sensitive time, when he will have an influential role in negotiating with Germany over the European Union's future...

ben Wall, 48, as envoy to the EU, will leave Britain's key European posts in the hands of young diplomats...

The al Massara'i affair: Dissident 'thorn in the flesh' awaits outcome of appeal against deportation order
Saudi nerves soothed by government's action

By Bernard Gray and Fouad Khalaf
While the decision to deport Mr Mohammed al Massara'i, the dissident Saudi refugee, has caused a storm in the media...



Mohammed al Massara'i, the Saudi dissident who has been ordered to leave Britain for Dominica, at his London home

more difficult to question and more prone to speculation. Although agents and commissions are not allowed in defence contracts under Saudi law...

Yet given the obsessive secrecy of the Saudi regime, the sensitivity in Whitehall often goes so far that officials and companies refuse to discuss any element of their involvement with the kingdom.

While Mr al Massara'i's cause has been taken up with gusto by leftwing Labour backbenchers, the opposition party leaders have been somewhat half-hearted in their criticism...

defence industry, one of the UK's most buoyant export sectors, the finer principles of human rights have been put into perspective...

in designing the original Al Yamamah deal, along with Mr Dick Evans of BAE.

A number of factors seem to have combined to heighten Saudi fears and pressures and finally push the British government to take action.

The Saudis have a long "wish list" of items which they would like from this oil revenue. One has thus far been dominated by military aircraft...

British Aerospace has been running the commercial end of Al Yamamah on behalf of the government since the deal was originally signed...

hunting ships under the Al Yamamah programme, and is looking for an order for three more.

in the original Al Yamamah deal, along with Mr Dick Evans of BAE.

The focus of complaints about corruption has always been the Saudi ministry of defence, where the sensitive nature of the business requires that the size of the contracts be kept out of the public domain...

Tory MP may withhold support from government

The crumbling Conservative administration led by Mr John Major was dealt a further blow yesterday when one of his party's MPs warned that he could not guarantee his loyalty...

As the Commons returned after its Christmas break, Miss Nicholson invited other disgruntled MPs on the Tory left to join her on the opposition benches.

Miss Emma Nicholson, a Conservative MP who defected to the centrist Liberal Democrat party late last year...

Mr Tony Blair, Labour leader, claimed Mr Major's suggestion that privatisation of the Post Office could be revived in the Conservative manifesto was another sign that he was pandering to the Tory right...

Waterway invader heads for the table

By Alison Meiland in London
It is a ferocious predator and can grow to as large as 1.5m. French and Scandinavian diners regard it as a delicacy...

British Waterways, which runs the 3,900km canal system, yesterday admitted defeat in its battle to curb the burgeoning population and launched a campaign to serve it up on a plate.

Accountants urge action to combat fraud 'menace'

By Jim Kelly, Accountancy Correspondent
The UK's senior professional accountancy body yesterday wrote to the home secretary...

Mr Martyn Jones, a partner with Touche Ross and one of the authors of a report published by the faculty yesterday...

UK NEWS DIGEST

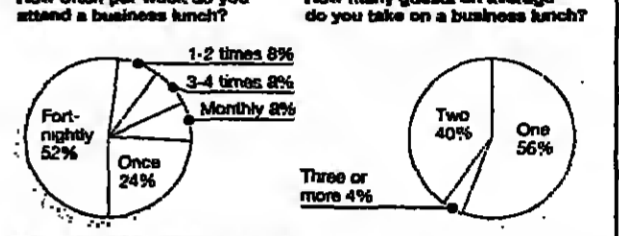
'Union jack' row clouds sale of N Ireland airport

Unionist politicians in Northern Ireland will oppose any move by Aer Rianta, the state-owned airports authority in the Republic of Ireland, to acquire Belfast City Airport...

Accountants are busy lunchers

Accountants are out to lunch again. A survey conducted for a big London hotel found that of 100 respondents 52 lunched more often than they did three years ago.

Business lunches



Source: Athenaeum Hotel & Apartments

property surveyors in the capital's West End about their lunch habits. Lawyers lunched least, drank least, and usually in-house.

GM workers to vote on pay

The 7,200 manual workers at the Vauxhall offshoot of General Motors are to vote on the three-year pay deal which was overwhelmingly rejected last week at factories in the English towns of Luton and Ellesmere Port.

Road protestors claim victory

The first day of work on the controversial bypass round the southern England town of Newbury had to be abandoned after a protest immobilised security guards.



An anti-road protestor climbs on to a makeshift tripod to blockade security guards in their compound. Midlands passes through the Newbury, but the proposed bypass would cut through unspectacular countryside.

Landmarks excites interest. Interest in two of Britain's most famous landmarks has been strong since they went on sale on Monday...

This really is tunnel operator's crunch year

By William Lewis and Geoff Dyer
At the beginning of each of the past two years, City of London analysts insisted that this was the crucial year for Eurotunnel...

Even if an agreement on a new financial structure were reached with its four main banks, "we will have to detail it and document it, and then put it to a vote of all 225 banks", he said.

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THE COMBINED STRENGTHS OF FORTIS

Take a few companies at random, put them together, and what have you got? Just a list of names.

But if you can make these same companies work together in the right way, then you create something that can stand up to any

threat. Five years ago, Fortis didn't exist. Today, Fortis has a balance sheet total of some ECU 115 billion, and is one of the world's largest financial service groups.

Few companies can match such a performance. Yet the basis for this success is

really quite simple: it is a matter of combining strengths.

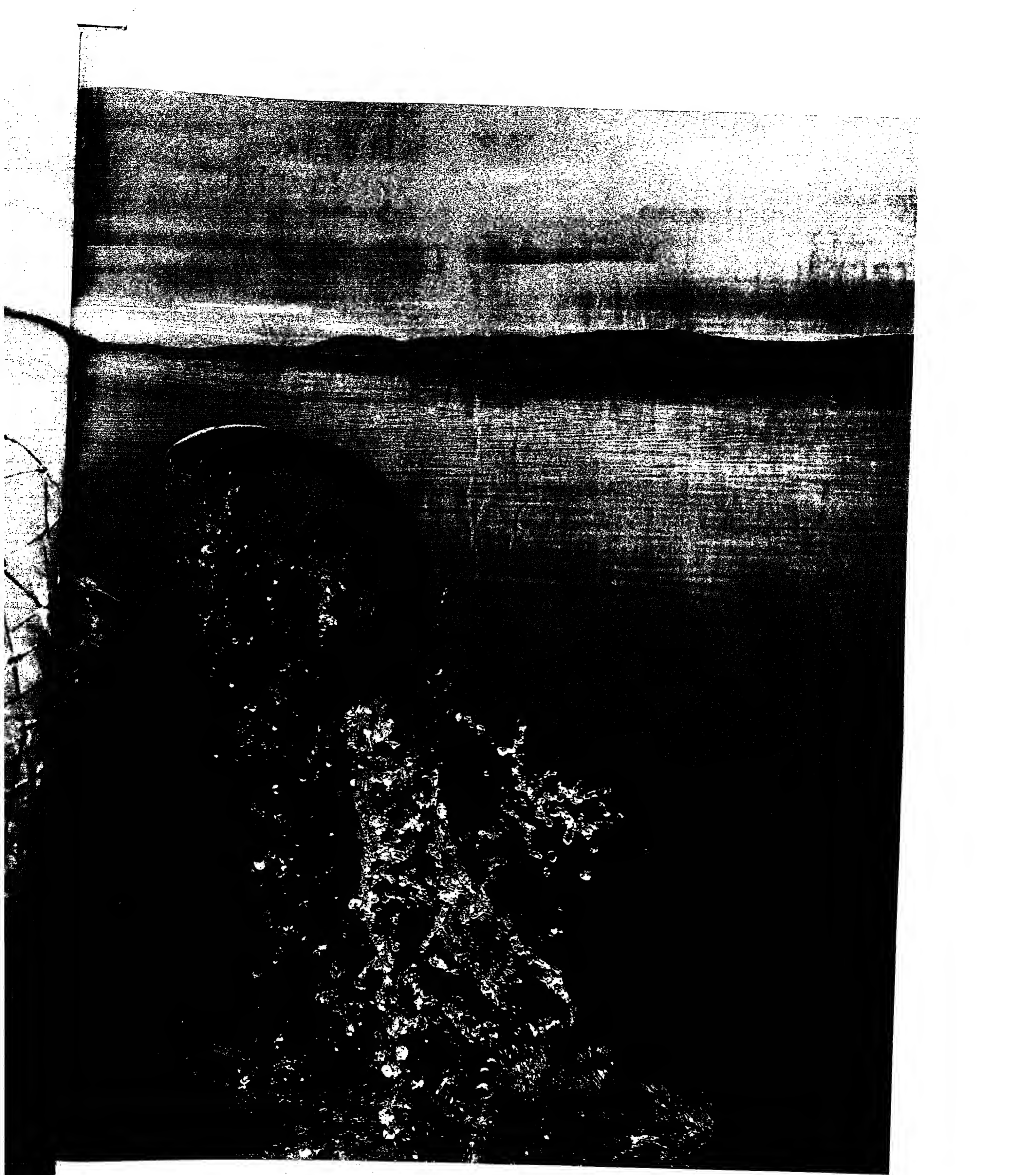
In 1990, the Dutch bank-insurer AMEV/VSB, and Belgium's largest insurance company AG, decided to join forces. The result was Fortis. A unique, strategic combination of

know-how and resources. And an excellent basis for further growth, whether internal or through acquisitions.

Now Fortis has more than 100 companies active in the fields of insurance, banking and investment. In all parts of the world.

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Following the Fortis principle of freedom with discipline, they carry on doing what they do best. While preserving their individual character and specific qualities. And



doing so, feeding enthusiasm for further development.

This is one reason why Fortis in the United States enjoys a leading position in a cluster of specialized insurance markets. In Spain, thanks to a joint venture

with "la Caixa", Fortis is one of the largest life insurers.

And in the Benelux, where its companies include AG 1824 and ASLK-CGER in Belgium and AMEV and VSB in the Netherlands, Fortis is one of the leading pro-

viders of financial services. All these examples underline that Fortis has tremendous potential. Because the strength of the whole is greater than the sum of the parts.

That was the original idea, and that is still how Fortis sees it. Even though much

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BUSINESS AND THE ENVIRONMENT

Greenpeace's new head outlines the campaigners' strategy for working with business, writes Sheila Jones

Industrial relations

Thilo Bode, the new head of Greenpeace International, is amused by the suggestion that the organisation today looks more like a Goliath than a David.

"If we were Goliath it would mean we had won. I wish we were. But no, we are still a very small David."

Greenpeace has grown rapidly since starting as a small, militant organisation in 1971 taking on big business and government on the environment. Now in its 25th year, Greenpeace employs 900 staff in 31 countries; it has an annual budget of about \$120m (£78m), reserves of \$70m and more than 2m supporters worldwide.

In recent months, the organisation has been accused by insiders and outsiders of being bureaucratic, secretive, even untrustworthy. Its tactics have been questioned in campaigns against French nuclear testing in the South Pacific, where its two flagship vessels were seized, and against Shell's plan to dump the Brent Spar oil platform in the North Atlantic. Its income and membership look high, but they are well below their peak years.

Bode acknowledges that recent events have threatened Greenpeace's credibility. He is not unashamed. But he points out that, among other things, the French have agreed to sign a comprehensive test ban treaty in 1996, after years of campaigning, and that Shell has reversed its decision to dump the Brent Spar at sea.

One of Bode's first tasks as international executive director has been to continue the streamlining under way in the organisation: trimming the budget - "sustainable campaigning is possible only on solid reserves" - and cutting staff, by about 100 in the past year. Another priority is to make the organisation more open, but not at the expense of weakening its ability to campaign.

Bode, 48, embodies the modern, professional image that Greenpeace now seems to want to project. A

graduate in political economics, he has worked on all sides: for development aid organisations, as a private consultant on development issues, and in industry. The organisation is like "a medium-sized business," he says, "and it has all the sorts of problems of a business this size."

Where a company has subsidiaries, Greenpeace has affiliates - national, independent entities - licensed to operate under the Greenpeace name. Bode's most pressing challenge is to help establish a "common vision" that will bind the organisation.

"Greenpeace was founded 25 years ago in Canada. Now, we have representatives in different countries and across different cultures. The challenge is more complex. In terms of tactics, we have classical direct action because civil disobedience is a classical way to confront in western societies, but it is not in Japan. So we have to adapt our ways of confronting to respective cultures."

Bode also wants to talk to business. The environment is on the corporate agenda, a significant change since the early days of Greenpeace. Bode's business approach raises suspicion in some quarters, but he believes there are business allies that can help the cause. "Industry is the main player in society... That's why we need to talk to them."

He dismisses the idea that co-operation might become collaboration. "We don't lose our ability to confront and attack by talking to them. On the contrary, they know us better and we know them better. It is important to know your adversary. It is not just a cynical exercise in getting to know the enemy. Again, it is more complex, says Bode. "We can intervene physically, without violence, against environmental destruction, such as the killing of whales. This holds true where the destruction is visible. But you can't see global warming, so here we have to find the most effective confrontation."



Bode wants to talk to business because 'industry is the main player in society'

Greenpeace Germany, which Bode ran from 1989 until taking over at the headquarters in Amsterdam, talked to several large companies, including Siemens and Bosch, about developing refrigerators free of harmful chlorofluorocarbons. The approaches were rebuffed, says Bode, so Greenpeace worked on the new technology with an independent east German company.

"This is the real David and Goliath story," he says. The mainstream manufacturers are now producing CFC-free fridges using the new technology. "It has penetrated markets in central Europe and you can't buy any other type of fridge in Germany," says Bode. "It is a shame for the small east German company, but this is a classical action - Greenpeace doing something rather than waiting for someone else to do it. Action does not always mean holding up a banner."

Greenpeace has had talks with motor manufacturers Mercedes-Benz and Volkswagen about prospects for cleaner energy. This week in London, Bode has been talking to Shell executives about a strategy for the disposal of oil installations.

But he promises that large corporations and governments are not off the hook. Greenpeace will seek to

bold them to commitments made at the Rio summit on climate change in 1992. "Big corporations today have a responsibility that goes beyond their aim to make a profit. The focus is on social, moral and ethical obligations. There is a very progressive agenda. Our obligation is to say to industry 'This is what you write. What is it you do?'"

Bode's interest in the environment is rooted in concern with social inequality. A student activist in the 1960s, he was a member of Germany's young socialists. This was long before the formation of Germany's influential Greens, although Bode never joined the party.

He does not see the environment as an isolated issue. "Poverty is connected to environmental destruction. Look at poor, landless farmers invading virgin tropical forests, or at fishermen destroying fish stocks. In developed countries we have the huge consumption of resources affecting the developing world."

"In the long run, we can only solve the environmental crisis if the world's society comes to an agreement about sharing resources. Mankind has to decide how to share them and to what extent."

The greening of Bretton Woods

Graciela Chichilnisky on a plan for a new global bank to be a clearing house for the environmental market

The Bretton Woods institutions show their age. Creatures of the post-war reconstruction, they served us well for half a century. The World Bank supported development efforts worldwide, and the International Monetary Fund provided the backbone for the international monetary system during the golden age of industrial society.

But as the century turns, the industrial world's voracious appetite for natural resources threatens to change irrevocably the earth's atmosphere and its global climate. This sobering thought has prompted calls for the reorganisation of the Bretton Woods institutions.

However, they were not created for, and are not well suited to, the environmental challenge. The World Bank's proclivity for large technocratic projects has led to complaints about environmental insensitivity. It and the IMF have found that their standard recommendations for developing countries, such as exporting more resource-intensive products (fossil fuels, forest products and cash crops) at devalued exchange rates, may conflict with environmental preservation. Is the world ready for a global Environmental Protection Agency?

Hardly. Heavy-handed bureaucracy has lost its appeal. Markets are imperfect institutions, but the alternatives may be worse. The challenge now is to achieve an environmentally conservative society without hindering productivity and dynamism.

Some of the most innovative financial institutions have emerged from environmental concerns. The global reinsurance industry complements its services with "catastrophe futures". Innovative instruments traded on the Chicago Board of Trade since 1992. In the US, the Clean Air Act has led to a market in sulphur dioxide emission rights.

Financial markets and the environment are natural allies. Finance is about hedging uncertainty. Environmental uncertainty, such as weather risk,

is the oldest form of uncertainty. Yet no global environment markets exist today.

How might such a market function? First, gas emission ceilings for the world and timetables for their implementation would be established. The parties at the Berlin conference on climate change last year agreed to that. The next step is to determine the emission rights of each country, and the rules by which they can trade these rights. Property rights are crucial because one needs to know who owns what within the total ceiling in order to trade.

The market discourages emissions because it increases the cost of emitting. Each unit of emission rights has a market

and petrol. Most industrial economies would screech to a halt if they were unable to burn petrol. By selling their future rights to emit, developing countries could be selling their right to industrialise.

Borrowing and lending rights to emit may be more palatable than outright sale. The IBES could borrow short from developed countries and lend long to industrialising nations, the traditional role of a financial intermediary. Environmental bonds could be used to raise finance for environmentally valuable projects. Options and futures could bring greater flexibility and liquidity.

The IBES would act as the clearing house of a global environmental market, matching the parties to an environmental trade, mediating borrowing and lending, and ensuring the integrity of the market transactions and their settlement.

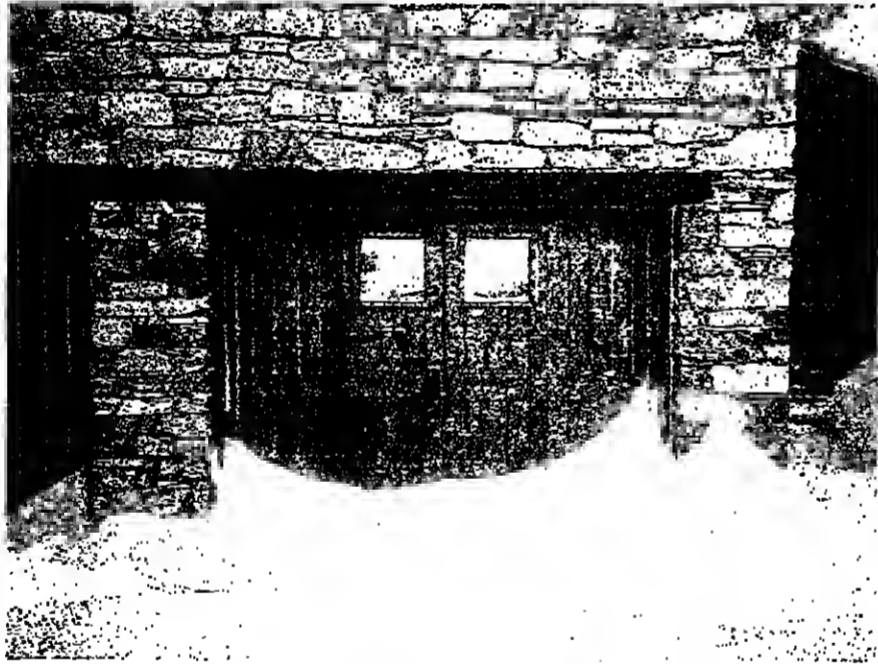
The IBES will use as collateral the environmental resources of the planet: its forests, bodies of water and its atmosphere. These are the most valuable assets known to humankind. Yet at present the only way to realise their value is by destroying them: a forest which preserves biodiversity and contributes to the atmosphere's quality is destroyed to sell the wood of its trees for pulp, or burned to give way to arable land. The IBES will help realise the value of environmental assets without destroying them. It will balance out the positions of large and small traders by offering a neutral trading base for all, and provide an anonymous process where several small sellers can meet a few large buyers.

The IBES could be an important part of the restructuring of the Bretton Woods institutions to meet the needs of today's mature industrial societies, as well as those of the industrialising countries.

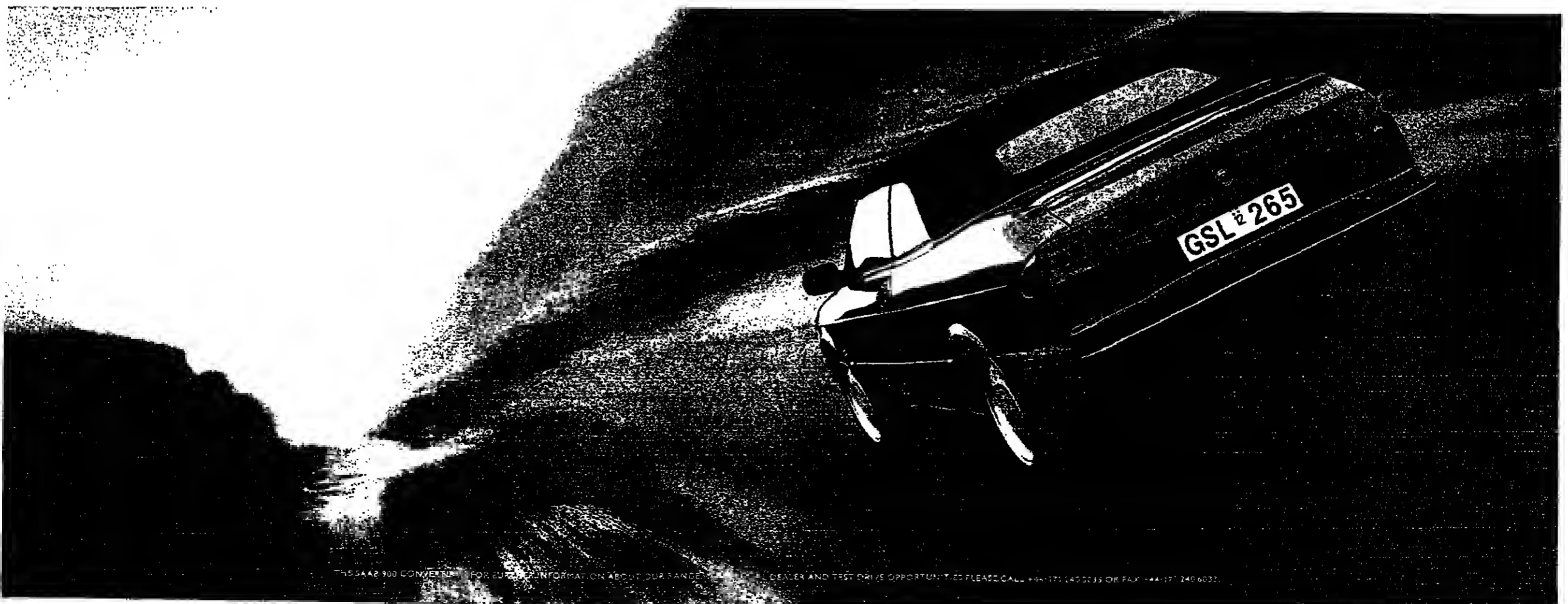
Such a market would need an International Bank for Environmental Settlements. Trading could be tricky. Selling one's rights to emit carbon dioxide, the main greenhouse gas, is selling one's ability to burn coal

and petrol. Most industrial economies would screech to a halt if they were unable to burn petrol. By selling their future rights to emit, developing countries could be selling their right to industrialise.

The author is economics professor and holds the Unesco chair in mathematics and economics at Columbia University, New York.



Most convertibles spend nine months of the year in jail.
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Here in Sweden, we don't enjoy endless sunny summers. Rather the opposite. So for year-round pleasure with our new convertible, we added a quick fully automatic top with tight fit, triple insulation, a glass rear-window with defogger, a superior heating system and roadhandling that gives a firm grip on slippery roads. We are sure you'll also appreciate it in warmer climates for its solid soundproofing and good looks - even with the top up.

COMMENT & ANALYSIS



Ian Davidson

Mitterrand's legacy

France will continue to seek an integrated Europe in order to achieve the closest possible political partnership with Germany

Francois Mitterrand's death on Monday drew respectful accolades from many world leaders...

By contrast, it is arguable that his achievements at home fell far short of what...

was required by his European ambitions. He inherited a constitution which he originally denounced...

He created a large, moderate Socialist party, which might have been a first step towards a stable system of two- or three-party government...

When, in 1982-1983, he abandoned the ruinous rag-bag of socialist nostrums with which he had come to power...

Chirac (left) cannot ignore Mitterrand's position on Europe

pean partnership with Germany must take precedence over the claims of socialism. But his change of course...

That is what his opponents and successors say: they would, wouldn't they? But there is more than a grain of truth in it.

No one will be surprised that John Major chose to pass over in silence Francois Mitterrand's European achievements...

More interesting, from its different perspective, is the ambivalence of Chirac's tribute to Mitterrand...

If this is the choice, it is obvious which way France must go. An integrated Europe is possibly not what Chirac would prefer...

instinct, he might well prefer a less integrated form of Europe than the one in the Maastricht treaty...

That is the essential difference between Britain and France on the European question. The French know that they have no alternative to a European future...

For the French, the central problem is, and has always been, a secure and stable strategic relationship with Germany. That was why they launched the Coal and Steel Community in 1950...

Moreover, any politician wishing to add demand management to a toolkit for full employment would almost certainly have to give renewed thought to the role of "incomes policy"...

Restricted view of solution to jobs

From Mr. John Philpott. Sir, Martin Wolf ("Path to full employment", January 9) notes in passing the principal conditions for full employment as espoused by the late Professor James Meade...

Prof Meade was surely right to question the obsession with monetary-based inflation targets and instead call for an approach to controlling inflation that does not involve such massive cost in terms of lost output and jobs...

These are nonetheless issues that are confronted by those who seriously wish to tread the path of full employment. Supply-side reforms - however important and justifiable in themselves - cannot be fully successful in a vacuum of demand.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL. We are keen to encourage letters from readers around the world...

Laying blame for economic crisis

From Mr. David Peterson. Sir, Congratulations are in order. In your editorial "Fiscal crisis of the state", January 6 you finally recognised that inherently destabilising contradictions lie at the centre of the system of global capitalism...

Misgivings over Russia's alcohol law

From Mr. T.W. Jackson. Sir, John Thornhill's article "Russian spirits hit by vodka imports" (January 4) about the problems facing Russian vodka producers touches on legislation which will hinder opportunities for EU spirits producers...

Ethnic nationalism no threat

From Mr. E. Cakaroglu. Sir, Edward Mortimer is too pessimistic about a threat of ethnic nationalism in Turkey ("An identity crisis", January 3). I agree that the failure of the pro-Kurdish HADEP party to secure any seats in parliament is unfortunate...

World Bank and privatisation of Brazil's CVRD

From Mr. Gobind T. Nankani. Sir, Your article "CVRD sale shows limits of World Bank adviser rules" (December 18) on Companhia Vale do Rio Doce (CVRD) procurement issues was inaccurate. The article implies the World Bank is financing the CVRD privatisation process in Brazil...

Personal View - Jacques Calvet

A case for quality control

Stricter EU standards on car emissions are not the answer to pollution problems. The state of the environment is crucial to everybody's quality of life. This makes it a primary consideration in the management of modern economies...

Smooth as silk is a smile that comes from the heart not the handbook.



Smooth as silk is an attitude born of a centuries old culture. It's the natural charm and friendliness of our cabin and ground crews. It's superb cuisine, some of it with a traditional Thai flavour...

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FRUEHAUF TRAILERS Carrying the nation's goods

State company faces battle over \$20bn plants

Taiwan plans switch to coal to meet power needs

By Laura Tyson in Taipei

Taiwan plans to build three coal-fired thermal power plants...

However, Taiwan Power Co (Taipower), the state power monopoly, is likely to face a battle...

19,300 megawatts. Each of the new thermal plants is to have a capacity of 4,000MW.

Prompted by fears that Taipower may not be able to bring new capacity on line quickly enough...

Japan reviews strategy Page 5

Walesa wants his old job back in Gdansk shipyard

By Christopher Bobinski in Warsaw and Anthony Robinson in London

Poland's most famous electrician, Mr Lech Walesa, has decided to go back to his political roots...

Mr Walesa took his defeat in the presidential elections last month badly. He vacated the new presidential palace in Warsaw...

For the past six years Mr Walesa has been on unpaid leave from the shipyard where he founded the Solidarity union in 1980...

bodyguard, a car and health care. However, Mr Walesa, who was paid \$1m in 1989 by a US studio...

Mr Walesa's wife, Danuta, told Reuters news agency she saw nothing strange in her husband's plan to go home.

Meanwhile, some of Mr Walesa's allies suggested the move was a return to his working class roots as he sought to rebuild a constituency that could return him to power.

By applying to the Gdansk shipyard, he is going back to the site of Solidarity's historic victory over the Communist government.

required for a foreign stake above 30 per cent.

Taipower hopes to begin building the new plants in the next three years. But Taiwan's environmental lobby has gathered strength...

Of Taiwan's total installed power capacity, 13.3 per cent is hydroelectric, 60.1 per cent thermal and 26.6 per cent nuclear.

The government's policy is to diversify energy sources. Hydroelectric potential has largely been exploited on the highly populated island.

UK hails 'deal' with China on expanded HK port

By Geoffrey Crothall in Beijing and Simon Holberton in Hong Kong

China and Britain yesterday agreed a long-delayed expansion of Hong Kong's container port as part of 'significant progress' on key areas concerning the future of the territory.

The agreements appear to mark a more businesslike attitude by Beijing to Hong Kong's transition than has been evident for many years.

Mr Riffkind began a three-day official visit to China yesterday with a meeting with Mr Qian Qichen, his Chinese counterpart.

Mr Riffkind said agreement was reached on the issuance and security of the future Special Administrative Region Hong Kong passport.

Nonetheless, Granada's revised bid contains a warning of becoming a sprawling conglomerate. By dumping Forte's asset-intensive luxury hotels...

Mr Riffkind said he had received 'unqualified assurances' from Mr Qian that all those who currently held permanent residency in Hong Kong would retain this status after the handover in 1997.

The success of Mr Riffkind's first visit to China had been threatened by the screening on British television last night of a documentary on abuses in China's orphanages.

Mr Riffkind said he had raised the orphanages issue and human rights in general in a 'clear, courteous and firm' manner...

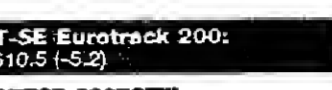
Although China's foreign ministry denounced the programme as 'an attack on China', both governments played down the effect it would have on overall bilateral relations.

Mr Riffkind said he had raised the orphanages issue and human rights in general in a 'clear, courteous and firm' manner...

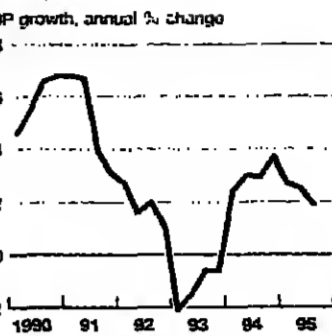
Boost for HK economy, Page 5

THE LEX COLUMN Germany's jobs angst

Chancellor Helmut Kohl's fight against unemployment - his number one priority for 1996 - has got off to a bad start.



German economy GDP growth, annual % change



The real worry is that unemployment has increased during two years of fair economic growth.

Much depends, therefore, on the consumer. Tax cuts, even partly offset by increased social security contributions, will leave most Germans better off in 1996.

Granada's fight for Forte carries a whiff of the asset-stripping 1990s.

Malaysia's decision to order \$1bn worth of Boeing aircraft is another blow to Europe's Airbus consortium.

Boeing/Airbus

Airbus is losing ground because it does not have a model to challenge Boeing's 747 jumbo jets.

Acquisitions, such as the \$1.8bn purchase of Fisons through Rhone-Poulenc Rorer, its US arm...

Acquisitions, such as the \$1.8bn purchase of Fisons through Rhone-Poulenc Rorer, its US arm, have left the group highly-leveraged...

Lex comment on special dividends and House of Fraser, Page 17

Murdoch bid Chechens seize hundreds

Continued from Page 1

this year's summer Olympics in Atlanta so the intervention of Mr Murdoch is likely to drive up the cost of Olympic sports rights in Europe whatever the outcome of the contest.

Continued from Page 1

in Kizlyar and the strength of the Chechen forces. Itar-Tass said as many as 3,000 hostages had been seized by 600 Chechen fighters.

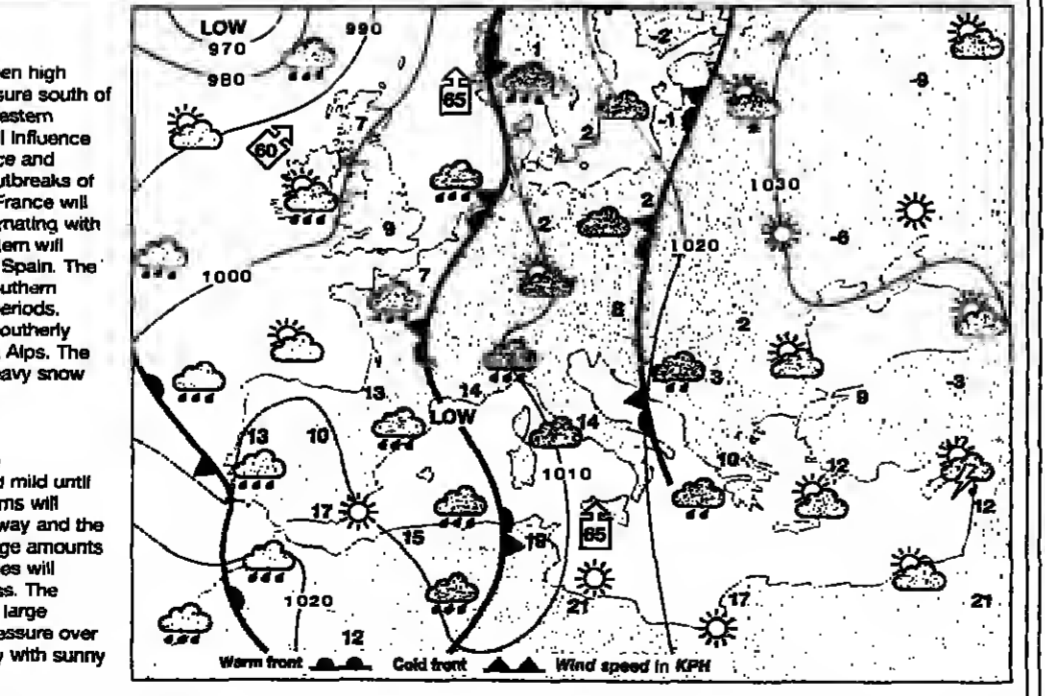
sions from a similar raid by Chechen forces on the southern town of Budennovsk last June.

Mr Primakov's appointment has caused some consternation in western capitals.

Boost for HK economy, Page 5

Europe today Southern air flow will persist between high pressure over Russia and low pressure south of Iceland...

Five-day forecast The western half of Europe and the Mediterranean will be unsettled and mild until next week.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Lufthansa We can't change the weather. But we can always take you where you want to go.

Leaders in Europe

Deutsche Morgan Grenfell advertisement listing various companies and their financial transactions, including GEHE AG, Queens Moat Houses plc, GRT Bus Group PLC, BBA GROUP PLC, VSEL PLC, National Express Group PLC, DyStar Textilfarben, Scottish & Newcastle plc, and TransAtlantic Holdings PLC.

INTERNATIONAL COMPANIES AND FINANCE

Former UB Networks chief to head Tandem

By Louise Kehoe in San Francisco

Tandem Computers, the leading manufacturer of fault-tolerant "non-stop" computer systems, has named Mr Roel Pieper, formerly head of its UB Networks subsidiary, as president and chief executive.

The change in leadership follows a difficult year for Tandem as the company struggled to shift its focus from proprietary technology to industry standards.

aggressively to broaden its software product line, he said, through industry partnerships and alliances such as those recently announced with Microsoft, Compaq Computer and NEC of Japan.

AMERICAS NEWS DIGEST

Bristol-Myers forms new unit

Bristol-Myers Squibb has formed a generic drugs unit called Apothecon Generic Development and Manufacturing Group within its US pharmaceuticals group.

Deutsche Morgan Grenfell buy

The Canadian unit of Deutsche Morgan Grenfell, the investment bank, is to take over DFI Securities, a Toronto-based brokerage.

CPC to take \$34m charge

CPC International, the US foods group, said it would take an after-tax charge of \$34m, or \$0.23 a share, in the fourth quarter to cover the costs of combining its baking operation with the Kraft baking business acquired in October.

Reuters expands in US

Reuters America said it has bought Equis International, a Utah-based developer of technical analysis software for individual investors, for an undisclosed cash sum.

AT&T holds 33% of Unitel

AT&T, through its Canadian unit, will hold a 33 per cent voting interest in Unitel, Canada's second-biggest long-distance carrier, as part of a restructuring.

O&Y creditors agree deal

By Richard Waters in New York

Olympia & York has reached a preliminary agreement on a financial restructuring of its US properties, a move which marks the second big financial reorganisation in the New York office market in recent months.

Last autumn, a group of investors led by Goldman Sachs secured an agreement to acquire the landmark Rockefeller Center in Manhattan.

disastrous, property ventures of the 1980s.

Olympia & York's US arm was brought down by Canary Wharf, the development in London Docklands undertaken by its Canadian parent.

Others of the buildings yesterday. Other creditors, as well as the US bankruptcy court, must approve the terms before they become final.

The deal leaves the bulk of the properties under the control of the Bronfmans family of Toronto. The Bronfmans had fought for control of the portfolio of buildings with Mr Leon Black, whose Apollo investment fund was an influential role to the restructuring after buying debt secured on some of the O&Y buildings.

Mr Black and the Bronfmans have agreed to disentangle their interests.

Merrill Lynch sets up in Jakarta

By Manuela Saragosa in Jakarta

Bapepam, the Indonesian Capital Markets Supervisory Agency, has granted Merrill Lynch a licence allowing it to underwrite and trade Indonesian securities on the domestic market more than a year after the US securities firm applied to set up operations in Jakarta.

Djohadikusumo, has also been granted membership of the Jakarta Stock Exchange.

Merrill Lynch Indonesia is 80 per cent owned by Merrill Lynch and 20 per cent by PT Perdana Kian Pastiestar.

However, the establishment of a joint venture company to accompany Merrill Lynch's involvement with Indosat, the Indonesian satellite communications company which was listed in 1994, was flagged in Indosat's prospectus.

which states that Merrill Lynch would pay its future joint venture company about 20 per cent of the fees it received from the Indosat offer.

Merrill Lynch was also one of the three global co-ordinators for Telkom, the domestic telecoms company, which was forced to halve the size of its offering and slash the price of its shares last year because of weak global demand.

The fiasco was followed by a spate of finger-pointing among the securities houses involved and government officials.

Ford to give rebates of \$600 in bid to lift sales

By Richard Waters

Ford Motor yesterday announced incentives of \$600 on most of its new vehicles in the US in an attempt to boost sales, a move that suggests that the early months of this year will be as tough as the start of 1995 in the world's biggest car and truck market.

models, including the Taurus, a new model which was launched only last autumn after a \$3bn development programme. The Taurus hung on to its spot as the US's biggest-selling car in 1995, despite seeing sales slip by 35 per cent in December compared with a year before.

Until now, Ford has attributed the slow start for the new Taurus to a number of

one-off factors, and has said that the vehicle's popularity could only be judged on sales in the months ahead.

Yesterday, Mr Ross Roberts, general manager of the company's Ford Division, said the incentives were prompted by a general "softness in the car business", as well as rebates offered by others in the US at the end of last year.

tentatives trying to get our customers," he said.

The Ford incentives are in the form of cheaper financing on a new vehicle or a straight cash rebate.

While also being offered on several of the company's light truck models, the incentives will not be applied to the popular Explorer sport-utility and F-series pick-up trucks.

strong for all manufacturers, balancing the fall-off in demand for cars.

The severe weather to the north-eastern states will have an impact on new vehicle sales in the opening months of this year, Mr Roberts warned.

Steelmakers braced for a wind of change

Andrew Baxter reports on the findings of a recent survey on trends in the industry

The world's 40 largest integrated steel companies have invested \$75bn in fixed assets over the past 20 years and generated a net cumulative loss of more than \$10bn.

Yet only 10 per cent of respondents in a new survey by Beddows & Co, the London-based consultancy, regarded the industry's profitability - or lack of it - as a failure.

It is an alarming finding, as all the respondents were steel industry chief executives. But at least they agree that profitability will improve.

Beddows had asked the chief executives to list the industry's recent successes and failures as part of a detailed questionnaire on the future of the industry. The survey claims to be the first attempt to gauge the views of the industry's leaders.

"We only wanted to hear from chief executives," said Dr Rod Beddows, the consultancy's managing director. "We told them to throw the questionnaire away if they did not have time to answer themselves."

The first report, in a series of six that will analyse the chief executives' responses, suggests the industry will continue to experience significant change.

Without doubt, managers of steel businesses face considerable challenges in selecting and implementing the strategies for success," it says.

flat products over long products, coated over uncoated and finished over semi-finished.

Levels of steel trade, both inter-regional and intra-regional, are also generally expected to increase. Beddows says expectations of increases in trade inside regions is consistent with the gradual opening up of trade barriers between countries in the NAFTA region, the European Union and the Asian block.

It is sceptical, though, about the potential for significant increases in trade, because transport costs are high and 25 to 30 per cent of steel products are already traded internationally.

There is a largely consistent forecast, too, on the future of downstream activities - processing the product after cold-rolling - and the big steel producer's role in this area.

Steel service centres, often owned by stockholders, are increasingly moving into value-added activities, such as slitting steel into specific lengths for customers or even welding parts together to make a semi-fabricated component.

The survey shows the big steel companies are keen to win a bigger slice of the action. More than 80 per cent of respondents expected the percentage of revenue from downstream activities to increase and just over half expect a growth to the proportion of service centres that are owned by steel producers.

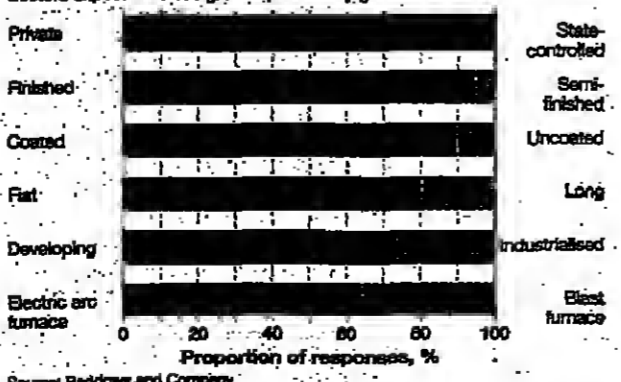
But on other issues there are some big regional variations of opinion. The North Americans show a strong expectation for the industry to continue fragmenting, with more companies,



Greater profitability seen for producers using electric furnaces

Industry leaders select the profit-makers

Sectors expected to see greater profitability growth to 2005



more locations and smaller facilities.

In contrast, west European respondents generally expected greater consolidation, with fewer companies and locations and larger facilities. This suggests that some European executives are still in a "big company mindset", a legacy of the

made by direct steelmaking - bypassing multiple stages - and 80 per cent believe some steel will be made using thin strip casting by 2005.

On the other hand, it looks as if the industry leaders are too conservative in their forecasts for growth of crude steel production. Only 14 per cent of respondents expect crude production to increase by more than 10 per cent over the next 10 years - a growth rate of less than 1 per cent a year.

This seems extremely pessimistic, says Beddows, given the liberalisation of economies in many parts of the world, particularly Asia and eastern Europe, and the relatively strong economic growth prospects world-wide over the next decade.

Intriguingly, a small number of respondents expect production to decrease in markets such as Latin America, China and the rest of Asia. It is a view hard to reconcile with underlying expectations of growth in these regions, says the report.

North American and west European executives also expect "other markets" to grow faster than do the respondents from those markets - a sign, suggests Mr Dobie, of the old adage that the grass appears greener on the other side.

The reports are not for sale, but Beddows can be reached on (44) 177 238 1777.

Advertisement for First Union Corporation. Text: "We are pleased to announce that First Union Corporation has completed its acquisition of First Fidelity Bancorporation. First Union Corporation is the sixth largest bank holding company in the United States with approximately \$126 billion in assets."

Advertisement for First Union National Bank. Text: "We are pleased to announce that First Fidelity Bank, N.A. London Branch has changed its name to First Union National Bank London Branch. Effective as of January 1, 1996. First Union's London Branch specializes in servicing U.S. corporate entities with U.K. operations and U.K. and Continental European companies with U.S. subsidiaries."

Advertisement for reports of the undermentioned companies for the quarter ended 31 December 1995. Lists companies: Deelkraal Gold Mining Company Limited, Driefontein Consolidated Limited, Kloof Gold Mining Company Limited, Gold Fields Coal Limited, Northam Platinum Limited.

Advertisement for Banco de Boston S.A. U.S. \$60,000,000 Floating Rate Notes. Issued by The First National Bank of Boston.

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INTERNATIONAL DEPOSITORY RECEIPTS REPRESENTING SHARES PAR VALUE \$ 2.50 COMMON STOCK. J.P. MORGAN AND CO INCORPORATED.

COMPANY NEWS: UK

Result still in balance despite welcome for final offer

David Blackwell and Martin Dickson consider Granada's increased offer for Forte which still has two weeks to run

Mr Gerry Robinson, Granada Group's chief executive, was in sparkling form as he lashed into bid target Forte with gusto, refreshed from his Christmas holiday in Donegal. It was time to disentangle fact from fiction, he said yesterday, attacking the activities of the "undoubtedly talented, highly expensive team" conducting Forte's defence. A great deal of nonsense was talked about hotel management, but he had one word for how Forte was run - poorly. Analysts praised the structure of Granada's final offer, which involves the same cash and shares mix as when the bid was launched on November 22, sweetened by a 47p share special dividend, to be paid from Forte's reserves. The new offer valued Forte at £3.74bn last night, or 371.86p a share, up from £3.27bn.

However, the offer would be worth nearly 12p a share extra to those shareholders, such as pension funds, able to claim repayment of the dividend's tax credit.

Many analysts and some institutional investors said they thought Granada had done enough to swing the tide back in its favour following an unexpectedly strong defence from Forte.

However, the final outcome still hangs in the balance. "If I were a betting man I would put the odds in Granada's favour at no better than 60:40," said one institutional investor.

As investors weigh their decision over the two weeks to the bid's final closing date on January 23, they have three central issues to consider:

- Has Granada offered enough? The offer is 35 per cent higher than Forte's share price immediately before the bid was launched and represents a multiple of nearly 26 times Forte's forecast earnings.
- Forte's share price closed last night at 351p, up 7p, but below the Granada cash alternative of 363p.
- The question for investors is how would Forte shares perform if it remained independent? A key element in its defence is a plan to buy back 20 per cent of its shares at between 330p and 400p. While this appears to underpin the price at 363p, Granada yesterday questioned Forte's ability to proceed with the buy-back.

It described the plan as a "dream" predicated on the assumption that the buy-back would enhance earnings. But Granada said its calculations suggested the buy-back would actually be dilutive to earnings. It also questioned whether Forte's promise of strong dividend growth was achievable.

What type of business do shareholders want to invest in? As part of its defence, Forte has promised to sell off assets representing almost 50 per cent of turnover, giving investors a stark choice between the two companies.

Forte now plans to be a pure hotels business, with interests ranging from luxury international hotels to the mid-market UK Posthouse chain. It will sell off its roadside budget hotels and restaurant business to Whitbread for £1.05bn.

Granada, in contrast, would retain the roadside business, which it argues offers a good fit with its own small budget hotels and catering expertise.

Mr Robinson - who described the sale to Whitbread as "a giveaway of shareholders' money and in our view a disgrace" - claimed that Granada was making £10m a year from 32 budget hotels, compared with Forte's £26m from 122 outlets.

However, Mr Robinson backtracked from earlier suggestions that he would build up Forte's Meridien chain as an international brand.

Granada now says it plans to dispose of Meridien and Forte's

exclusive hotels, sooner rather than later. Mr Robinson says it has had such interest from potential purchasers that selling is by far the best option.

Analysts generally welcomed the move. "That removes from the equation the bit of the group that we felt they could not comfortably manage," said one.

In contrast to the "pure" hotels investment that Forte would represent, the enlarged Granada would have only 24 per cent of its business in hotels - and it has chosen those it believes are at the most profitable and predictable end of the market. Some 29 per cent would be in leisure and services, 25 per cent in television and 22 per cent in rental.

Which company will better manage Forte's assets?

Granada is relying heavily on its good track record since Mr Robinson joined the company in 1991. Since then, its operating profits have almost quadrupled.

While insisting it could deliver £100m a year in extra profits from Forte, Granada gave no details until yesterday when it devoted six pages of its document to the subject. Plans include the sale of the corporate jet and closure of Forte's London headquarters.

Forte has consistently

FORTE
Has sold:
Griersons £23m
US Travelodge £114m
Lillywhites £28.5m

Trying to sell:
White Hart £100m

If bid lapses would sell to Whitbread: £1.05bn
Little Chef/Happy Easter
Welcome Break
C&M France
Forte/Travelodge

...would also sell:
Savoy Hotel stake £196m
Alpha Airports stake £49.8m

Leaving group consisting of:
Exclusive Hotels
Forte Meridien
Forte Heritage
Forte Posthouse

* Value of stake Jan 9 1996

GRANADA
Would sell:
Exclusive Hotels
Forte Meridien
Welcome Break
Savoy Hotel stake
Alpha Airports stake

Leaving group consisting of:
Forte Posthouse
Forte Travelodge
Little Chef/
Happy Easter
Côte France

...and probably:
White Hart
Forte Heritage

Research: Richard Brown

pouring cold water on its claims, prompting Mr Robinson to say yesterday that Granada's belief, and Forte's disbelief, "was the most telling contrast between the two" and an upturn in the hotels cycle. The battle could go either way. One analyst said: "It is well worth both sides running

about the City for the next two weeks." But he thought Granada could clinch victory by finding a firm buyer for the Meridien and Exclusive chains.

Kleinwort acquires leasing side of SBC Warburg

After a troubled period in the early 1990s Kleinwort's earnings have recovered and the tax allowances for lessors of plant and equipment make it a more attractive business for profitable banks.

SG Warburg & Co (Leasing), has about £500m (£770m) in leasing assets. It gives advice, and provides leasing finance for UK companies and for overseas companies setting up facilities in the UK.

Kleinwort has £450m of leasing assets, but refined back the activity in the early 1990s because the tax benefit was

NatPower to shed 400 jobs

National Power, the electricity generator, is to cut 400 jobs as part of a cost reduction programme at its Swindon head office, writes David Wighton.

The actions will cut costs by £86m in 1996-97, rising to £50m in the following year. The company said the losses were necessary because of increasing competition.

The job cuts account for about 30 per cent of the workforce at National Power's headquarters in Swindon. But the bulk of the savings will come from a review of other costs including reduced spending on a range of external supplier services.

The eventual annual savings equate to almost 10 per cent of National Power's profits of £700m last year, but most City analysts left their forecasts unchanged. One said: "We had always assumed that there was a significant amount of costs still to come out."

Warm weather hits House of Fraser

By Geoff Dyer

House of Fraser, the department store operator, warned yesterday that profits for the year to January 27 would be well below expectations due to the warm autumn weather and sale of surplus stocks.

The lower than expected increase in sales and drop in gross margins led analysts to cut pre-tax profit forecasts from £55m to £35m (£28m), the fifth downgrade in two years. Estimates for the following year were down from £34m to about £20m.

The announcement provided further evidence, analysts said, of the growing split in the retail sector between stronger and weaker groups.

The shares fell to below 150p, but rallied to end the day down 3p at 163p, on hopes that the group would begin to realise its potential soon. "Some investors think it is a 'value-play', it has good freehold properties and a lot of scope to improve its return on sales," according to one analyst. The full year dividend would be maintained at 5.5p, although it would not be fully covered.

Like for like Christmas sales were 8.5 per cent up, however in the 23 weeks to December 30 the rise was only 2.3 per cent. The City had been hoping that the £45m store refurbishment over the last two years would result in higher sales growth.

The gross margin in the second half was expected to be 31.2 per cent against 22.8 per cent in the previous year, in part due the 4 per cent decline in sales from higher margin ladies wear department.

LVMH rules out Alders bid

LVMH, the champagne and luxury goods group, said yesterday it had no plans to launch a bid for Alders after buying a small stake in the department store and duty-free retailer.

Denying reports that it had acquired a 2 per cent stake on Monday, LVMH said it bought only 1m shares, 0.92 per cent of the issued capital, several weeks ago. It said the shares were acquired for investment purposes only.

Despite the statement, Alders' shares yesterday held on to Monday's 14p gain ending unchanged at 184p.

LEX COMMENTS

Special dividend

Granada's increased bid for Forte includes a helping hand from the Inland Revenue. The 47p special dividend Granada is proposing to pay from Forte's balance sheet comes with an 11.75p tax credit for tax-exempt institutions such as pension funds. These shareholders - which will determine the bid's outcome since they account for perhaps 50 per cent of Forte's shares - will receive an extra £50m or so from the Revenue if the bid succeeds. Granada would, of course, pay the Revenue Advance Corporation Tax to match the tax credits; but it could offset that against Forte's profits and capital gains, so cutting future mainstream corporation tax bills.

This special dividend wheeze - and its close cousin, the share buy-back - was first used in the electricity sector. Forte itself has employed a variation in its defence by promising to funnel cash from selling its restaurants to shareholders. But Granada has added a further twist: shareholders can choose between the special dividend or straight cash, thereby deciding whether to take the 47p as income or as a capital gain. While tax-exempt investors will undoubtedly take the dividend, most of the rest will minimise their tax burden by accepting the cash. This would have the further benefit of keeping down Granada's initial ACT pay-out. No public interest is served by a loophole that involves taxpayers subsidising corporate raiders. But until the government changes the rules, bidders would be mad not to exploit them to the full.

House of Fraser

Time is running out for House of Fraser's management. Yesterday's profits warning prompted a sharp adjustment to expectations. Analysts scaled back forecasts for the year ending January 1996 by more than 30 per cent to about £15m. This could just be one disappointment too many for investors, who have watched the shares underperform the sector by 20 per cent since the group's 1994 flotation. The inventory problems, which have persistently undermined House of Fraser's performance point to a fundamental failure to stock the right goods. The Stock carried over into 1995 dated back several and will be management now claims to have taken the pain and will be carrying forward a more reasonable level of inventory at the end of January - about £10m, compared with more than £20m of last year. In women's fashion, the improvement is this time last year. The appointment of a new merchandising director gives some further grounds for optimism. But her impact will not be felt until the autumn/winter season. Moreover, shareholders have heard such promises before.

However, the relatively minor hit taken by the share price yesterday and House of Fraser's still positive rating relative to the sector suggest that it is being viewed as either a recovery stock or a takeover target. Since there are few potential buyers, the former is the likelier explanation. But many investors, the former is the likelier explanation. But many investors will wonder whether the current management is capable of generating the required recovery.

BTR considers bid for GenCorp arm

By Tim Burt

BTR, the UK industrial conglomerate, is in talks with GenCorp, the US manufacturing group, about a bid for one of its automotive subsidiaries.

The British company has confirmed it is considering a takeover of GenCorp's vibration control division, although talks are only at a preliminary stage.

If a deal is agreed, the India-based subsidiary will be integrated into BTR's automotive division, which already manufactures anti-vibration systems in Britain, Germany and Spain.

The vibration control division contributed \$6m to GenCorp's \$97m operating profit in 1994 - the latest full year for which figures are available - from sales of \$140m.

N American rise helps Rolls-Royce

By John Griffiths

A sharp upturn in North America helped Rolls-Royce Motor Cars raise total world sales of its luxury Rolls-Royce and Bentley cars by 10 per cent last year to 1,556.

Although less than half the record 3,598 sales achieved by the Vickers subsidiary in 1990, last year's total was well above break-even level. Since 1991 break-even has been more than halved to 1,300 units a year, according to company officials.

Vickers shares rose 15p to 272p yesterday.

The company expects further modest sales growth this year, although faltering new car markets in parts of Europe and elsewhere make it unlikely that increases will match last year's levels.

Unit sales in North America, Rolls' second-largest market after the UK, jumped 25 per cent from 636 to 800. UK sales were 7 per cent higher at 493, against 460. Japanese sales

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October, 1995

SEK 6,824,100,000

Global Offering of 74,175,000 Ordinary Shares

Global Coordinator

CS First Boston

International Offering 23,897,250 Shares
CS First Boston

Paribas Capital Markets
Barclays de Zoete Wedd Limited
Daiwa Europe Limited
Dresdner Bank-Kleinwort Benson

Nordic Offering 3,225,000 Shares
CS First Boston
Deo Danske Bank
Handelsbanken Markets

Swedish Offering 35,442,750 Shares
Nordbanken AB
CS First Boston
Föreningsbanken Fondkommission
Posten Fondkommission AB
Sparbanken
Swedbank Markets

U.S. Offering* 11,610,000 Shares
Goldman, Sachs & Co.
Lehman Brothers
CS First Boston
Merrill Lynch & Co.

*Under 143A Private Placement

Cyanide spill mine to reopen

By Carole James, in Kingston, Jamaica

A commission appointed by the Guyana government has recommended the reopening of the controversial Omai gold mine...

The government described the cyanide leak as an "environmental disaster" while the company preferred to call it an "industrial accident"...

The leak and the closure of the mine fueled debate about the use of cyanide, but the commission said the chemical was the most economic and environmentally acceptable means of extracting gold...

Government officials said yesterday, however, that the mine, the largest investment in the English-speaking South American republic, would be reopened after the government had examined the commission's report...

The commission can see no justification, having regard to the contractual relationship solemnly entered into between the government of Guyana and Omai Gold Mines Limited...

Blue roofs give away Filipinos' golden secrets

Big miners are following the trail of independent panners in the search for gold, writes Kenneth Gooding

The "blue roof anomaly" is an absolutely certain guide to locating rich gold deposits in the Philippines...

The blue roof exploration technique involves finding where the small-scale miners - most of them operating illegally - have gathered in the greatest numbers to dig for gold...

These guys pan for gold in the rivers and then follow the trail upstream until they find the main source. They won't stick around if its not worth their while...

CRA decided which licenses to apply for after first studying geological maps and then tracking down small-scale miners in prospective areas...

Base metals prices mostly moved lower in late trading at the London Metal Exchange yesterday, as losses in New York undermined the COPPER and ALUMINIUM markets...

usually already extracted 50 per cent of the gold from the ore. Mr Henry Aguiñan, exploration manager for CRA's subsidiary Tropical Exploration Philippines, says searching for small-scale miners "is the most useful exploration tool we have"...

City" because of the number of small-scale miners to be found there, along with the middle men who finance their activities. But the small miners still mainly use mercury to release the gold...

"These guys pan for gold in the rivers and then follow the trail upstream until they find the main source. They won't stick around if its not worth their while."

CRAs Ramon, secretary of state for the environment and natural resources, says the government hopes to persuade them to form co-operatives and to sell their ore for processing to big mining companies...

Nobody expects the small miners to change their approach quickly. Mr Salvador Martin, assistant director at the Bureau of Mines, points out that they prefer mining methods they are used to and would not relish the thought of paying taxes or the form filling that would be involved in production...

changing mining and tax laws and permitting 100 per cent ownership of mining companies by foreigners in some circumstances, something previously forbidden...

There have also been more than 300 applications for another type of licence that allows exploration of a smaller area. Secretary of state Ramos says this will be one of the lead sectors in the coming upsurge in the Philippines economy...

In recent years other parts of the Philippines mining industry have been going through difficult times, brought down by low metal prices, high debts, bad management and 20 years of international isolation during the Marcos presidency...

With this in mind, the government is encouraging a flood of foreign investment into the Philippines mining industry by...

theed not to be changed by the next administration. Mr Conrad Leviste, governor of the country's Board of Investments, estimates that there will be a capital infusion of at least US\$50m resulting from the PTAA applications...

In fact, other foreign companies already have that amount of gold in the bag, at sites where there was bionic scale miner activity. TVI, in partnership with Echo Bay of the US, has 3.8m ounces of mineable gold and 2.2m lb of copper at the Kington deposit...

Secretary of state Ramos says that mining could start up in 1997 to produce up to 400,000 ounces of gold and 87m lb of copper a year. That is nearly as much gold from one mine as the efforts of all the small scale miners produce in the same time.

MARKET REPORT Copper and aluminium fall to fresh lows at LME

Base metals prices mostly moved lower in late trading at the London Metal Exchange yesterday, as losses in New York undermined the COPPER and ALUMINIUM markets...

Monday, which was briefly halted early yesterday, resumed in mid-afternoon when the three months price moved quickly lower to just \$1.600...

The three months delivery position traded at a low of \$1.592 before ending at \$1.596, down 5c.

was at \$1.550, traders said. Compiled from Reuters.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Copper, Aluminium, Zinc, Nickel, etc.

Precious Metals continued

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Gold, Silver, Platinum, Palladium.

ENERGY

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Oil, Gas, Heating Oil.

PRECIOUS METALS

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Gold, Silver, Platinum, etc.

GRAINS AND OIL SEEDS

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Wheat, Maize, Soyabean.

SOFTS

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Coffee, Cocoa.

MEAT AND LIVESTOCK

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Cattle, Pig, Lamb.

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LONDON TRADED OPTIONS

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LONDON SPOT MARKETS

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Copper, Aluminium, Zinc, Nickel.

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FUTURES DATA

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Oil, Gas, Heating Oil.

CROSSWORD

Crossword puzzle grid with clues: 1 One engaged in our subject dropping a name (6)...

LONDON TRADED OPTIONS

Table with columns: Commodity, Unit, Price, Change, High, Low, etc. Includes Copper, Aluminium, Zinc, Nickel.

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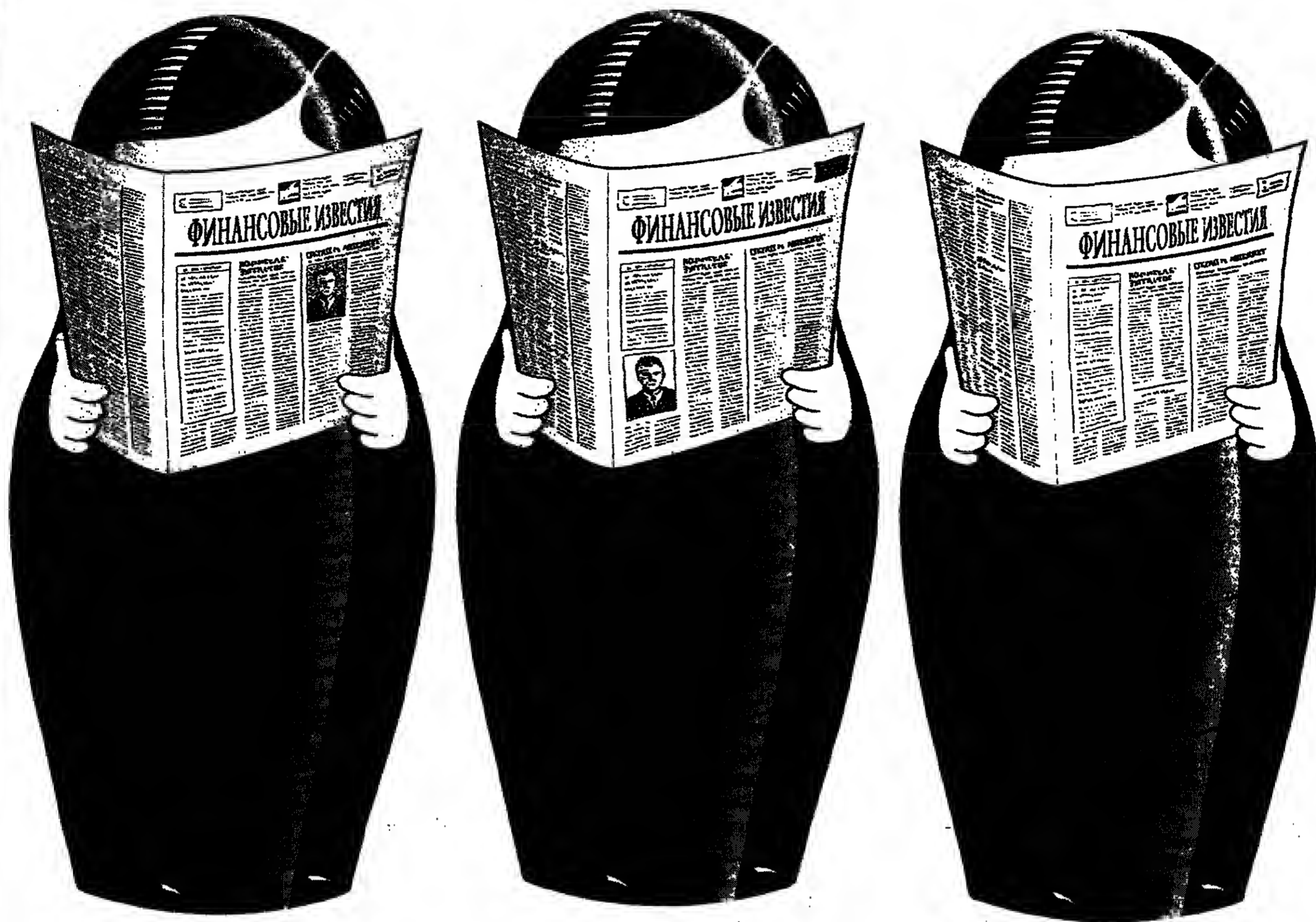
Dominica's bananas recover

By Carole James

Dominica will resume regular exports of bananas to Britain by early March, following the destruction of farms on the island by a series of hurricanes last summer...

island's exports were reduced to small, infrequent shipments after the storms.

That caused Dominica's exports last year to fall by 24 per cent to 33,000 tonnes, and the island's Banana Marketing Company has projected exports this year of between 42,000 tonnes and 52,000 tonnes, "depending on weather conditions during the year".



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FINANCIAL TIMES
GROUP

INTERNATIONAL CAPITAL MARKETS

German bunds lifted by weak economic data

By Richard Lapper and Martin Brice in London and Lisa Bransten in New York

Fresh data provided further evidence of the extent of economic slowdown in Germany...

German bunds were helped by news that the number of people out of work in Germany...

slowdown is accelerating and the bottom line for bunds is extremely positive...

Analysts argue that the figures increase the prospect of a cut in the discount rate...

A trader reported some switching out of gilts into a 500m eurobond issued yesterday...

The French market was also helped by the German economic news...

A stronger dollar helped European high yielders while Swedish bonds were given extra impetus...

The US bond market moved higher early in the day after the release of the Mitsubishi Bank Schroder Wertheim index of chain store sales...

Near midday, the benchmark 30-year Treasury bond was down 1/8 at 11 1/4, yielding 6.061...

Italy, Spain and Sweden all outperformed Germany, with 10-year yield spreads falling...

Treasuries began moving higher late last year amid hopes that Republicans in Congress and the Democratic president would agree...

Union Bank of Switzerland has emerged as the front-runner to arrange the flotation of Grupo Sol Melia...

The company, which is owned by its founder, Mr Gabriel Escarrer, is due to make a final decision...

Bankers believe that about one-third of the company will be sold in the flotation...

UBS favourite to run Grupo Sol sale

By Antonia Sherpe

investors exposure to Spain's buoyant tourism industry for the first time...

Grupo Sol's flotation coincides with a strong recovery in the world hotel market...

The company has decided to go public to finance its transition from being a Spanish hotel chain to a fast-growing international concern...

Negotiated sterling issue for EIB receives a warm welcome

By Corner Middelmann

It was another busy day in the eurobond market, with 17 new issues launched...

In the sterling sector, the European Investment Bank's £400m issue of 10-year bonds received a warm welcome...

The EIB also issued £500m of five-year bonds which, though tightly priced, compared reasonably well...

The dollar sector saw a \$500m issue of 10-year bonds for the Federal Home Loan Mortgage Corporation...

After a one-year absence from the eurobond market, the Republic of Austria issued DM1.5bn of 10-year bonds...

The Canadian dollar sector came back to life with two issues, C\$200m of five-year bonds for the Kingdom of Sweden...

preference to five-year paper, which offers higher coupons. After its successful foray into the Swiss franc market...

After a one-year absence from the eurobond market, the Republic of Finland issued DM750m of seven-year bonds...

The Canadian dollar sector came back to life with two issues, C\$200m of five-year bonds for the Kingdom of Sweden...

NEW INTERNATIONAL BOND ISSUES

Table with columns: Borrower, Amount, Coupon, Price, Maturity, Fees, Spread, Book runner. Lists various international bond issues from US Dollars to Luxembourg Francs.

Price index: 100 = 100.00. 100 = 100.00. 100 = 100.00. 100 = 100.00. 100 = 100.00. 100 = 100.00. 100 = 100.00.

WORLD BOND PRICES

Table with columns: Country, Coupon, Date, Price, Yield, Week, Month. Lists benchmark government bonds for Australia, Austria, Canada, Denmark, France, Germany, Ireland, Italy, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, US Treasury, ECU, and London clearing.

US INTEREST RATES

Table with columns: Rate, One month, Two month, Three month, Six month, One year, Two year, Three year, Five year, Ten year, 30 year.

BOND FUTURES AND OPTIONS

Table with columns: Country, Instrument, Open, Settle, Change, High, Low, Est. vol, Open int. Lists futures and options for France, Germany, and US.

UK GILTS PRICES

Table with columns: Issue, Yield, Bid, Price, Offer, High, Low. Lists UK gilt prices for various maturities from 1994 to 2001.

INTERNATIONAL BOND ISSUES

Table with columns: Country, Instrument, Open, Settle, Change, High, Low, Est. vol, Open int. Lists international bond futures and options.

EURO BOND FUTURES (MATIF) €50,000

Table with columns: Country, Instrument, Open, Settle, Change, High, Low, Est. vol, Open int. Lists Euro bond futures.

US TREASURY BOND FUTURES (CBT) \$100,000

Table with columns: Country, Instrument, Open, Settle, Change, High, Low, Est. vol, Open int. Lists US Treasury bond futures.

WOMANAL LONG TERM JAPANESE GOVT. BOND FUTURES

Table with columns: Country, Instrument, Open, Settle, Change, High, Low, Est. vol, Open int. Lists Japanese government bond futures.

Other Fixed Interest

Table with columns: Instrument, Yield, Bid, Price, Offer, High, Low. Lists various fixed interest instruments and their prices.

FT-ACTUARIES FIXED INTEREST INDICES

Table with columns: Index, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists fixed interest indices.

FT FIXED INTEREST INDICES

Table with columns: Index, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists fixed interest indices.

FT/ISMA INTERNATIONAL BOND SERVICE

Table with columns: Issued, Bid, Offer, Chg, Yield. Lists international bond service data for various countries and maturities.

European ratings from S&P improve in 1995

By Corner Middelmann

The improved economic environment was beneficial for European credit ratings in 1995...

The banking sector saw the highest number of downgrades globally, with 255 ratings lowered...

While improving economic conditions led to a few rating improvements in 1995, bank ratings are likely to come under further pressure...

34 upgraded, compared with 56 downgraded and only nine upgraded in 1994. Worldwide, S&P carried out 531 downgrades and 452 upgrades.

"The outlook remains challenging and we don't expect many upgrades," said Mr Barry Hancock, S&P's European banking analyst.

In Europe last year, 37 debt issuers were downgraded and

Table with columns: Country, Instrument, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists European rating changes.

FT-ACTUARIES FIXED INTEREST INDICES

Table with columns: Index, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists fixed interest indices.

FT FIXED INTEREST INDICES

Table with columns: Index, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists fixed interest indices.

FT/ISMA INTERNATIONAL BOND SERVICE

Table with columns: Issued, Bid, Offer, Chg, Yield. Lists international bond service data for various countries and maturities.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector, including names like Heineken, Carlsberg, and their respective share prices.

BANKS, MERCHANT

Table listing banks and merchant companies such as HSBC, Citibank, and their share prices.

BANKS, RETAIL

Table listing retail banks like Lloyds, NatWest, and their share prices.

BREWERIES, PUBS & REST

Table listing breweries, pubs, and restaurants such as Asahi, Tennent's, and their share prices.

BUILDING & CONSTRUCTION

Table listing building and construction companies like Bovis, Bovis Lend Lease, and their share prices.

BUILDING MATS. & MERCHANTS

Table listing building materials and merchant companies such as Bunnings, and their share prices.

BUILDING MATS. & MERCHANTS - Cont.

Continuation of Building Materials & Merchants table.

CHEMICALS

Table listing chemical companies like ICI, and their share prices.

DISTRIBUTORS

Table listing distributor companies such as Marks & Spencer, and their share prices.

DIVERSIFIED INDUSTRIALS

Table listing diversified industrial companies like BHP, and their share prices.

ELECTRICITY

Table listing electricity companies like British Energy, and their share prices.

ELECTRONIC & ELECTRICAL EQPT

Table listing electronic and electrical equipment companies like Philips, and their share prices.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical Equipment table.

ENGINEERING

Table listing engineering companies like BAE Systems, and their share prices.

ENGINEERING, VEHICLES

Table listing engineering and vehicle companies like Ford, and their share prices.

EXTRACTIVE INDUSTRIES

Table listing extractive industries companies like Anglo American, and their share prices.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

FOOD PRODUCERS

Table listing food producer companies like Unilever, and their share prices.

GAS DISTRIBUTION

Table listing gas distribution companies like British Gas, and their share prices.

HEALTH CARE

Table listing health care companies like Glaxo, and their share prices.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods table.

INSURANCE

Table listing insurance companies like Aviva, and their share prices.

INVESTMENT TRUSTS

Table listing investment trusts like Fidelity, and their share prices.

HOUSEHOLD GOODS

Table listing household goods companies like Debenhams, and their share prices.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

INVESTMENT TRUSTS

Table listing investment trusts like Fidelity, and their share prices.

INV TRUSTS SPLIT CAPITAL

Table listing investment trusts with split capital structures like Fidelity, and their share prices.

NEW TRUSTS SPLIT CAPITAL - Cont.

Table listing various investment trusts with columns for Name, Price, and other financial metrics.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, and other financial metrics.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, and other financial metrics.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and other financial metrics.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, and other financial metrics.

AIM - Cont.

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and other financial metrics.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and other financial metrics.

LIFE ASSURANCE

Table listing life assurance companies with columns for Name, Price, and other financial metrics.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and other financial metrics.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and other financial metrics.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and other financial metrics.

AMERICANS

Table listing American companies with columns for Name, Price, and other financial metrics.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and other financial metrics.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and other financial metrics.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and other financial metrics.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and other financial metrics.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and other financial metrics.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and other financial metrics.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and other financial metrics.

OTHER FINANCIAL

Table listing other financial companies with columns for Name, Price, and other financial metrics.

PROPERTY

Table listing property companies with columns for Name, Price, and other financial metrics.

SUPPORT SERVICES

Table listing support services companies with columns for Name, Price, and other financial metrics.

WATER

Table listing water companies with columns for Name, Price, and other financial metrics.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and other financial metrics.

Advertisement for MAPPIN & WEBB Champagne, featuring a watch image and the text 'Champagne-proof to 330 feet.' and 'ROLEX of Great Britain'.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and other financial metrics.

TRANSPORT

Table listing transport companies with columns for Name, Price, and other financial metrics.

WATER

Table listing water companies with columns for Name, Price, and other financial metrics.

AIM

Table listing companies on the Alternative Investment Market (AIM) with columns for Name, Price, and other financial metrics.

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service, providing information on how to use the service, including details on company listings, price movements, and contact information.

FT Free Annual Reports Service: You can obtain the current annual/interim report of any company annotated with FT. Reports will be sent the next working day, subject to availability. Both Annual Reports and FT Company Focus are available from the above number.

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Table listing Bermuda funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

BERMUDA (REGULATED)**

Table listing Bermuda regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

GUERNSEY (SIB RECOGNISED)

Table listing Guernsey funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

IRELAND (SIB RECOGNISED)

Table listing Ireland funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

GUERNSEY (REGULATED)**

Table listing Guernsey regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

IRELAND (REGULATED)**

Table listing Ireland regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

JERSEY (SIB RECOGNISED)

Table listing Jersey funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

JERSEY (REGULATED)**

Table listing Jersey regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

LUXEMBOURG (REGULATED)**

Table listing Luxembourg regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

ISLE OF MAN (SIB RECOGNISED)

Table listing Isle of Man funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

ISLE OF MAN (REGULATED)**

Table listing Isle of Man regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

JERSEY (SIB RECOGNISED)

Table listing Jersey funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

JERSEY (REGULATED)**

Table listing Jersey regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

LUXEMBOURG (SIB RECOGNISED)

Table listing Luxembourg funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

LUXEMBOURG (REGULATED)**

Table listing Luxembourg regulated funds including Royal Bank of Canada O/S Fd Mgrs Ltd, Royal Bank of Canada O/S Fd Mgrs Ltd, and others.

صندوق من الاصل

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Main table containing fund names, prices, and performance data. Includes sections for 'OTHER OFFSHORE FUNDS' and 'OFFSHORE INSURANCES'.

MANAGED FUNDS NOTES
Please see the notes on the other side of this page for more details on the fund's investment objectives, risks, charges and expenses. This prospectus is not a contract. Only the prospectus can provide the details of a fund's investment objectives, risks, charges and expenses. Read and understand this prospectus before you invest. The fund's performance is not guaranteed. The fund's value will fluctuate and may rise or fall. The fund's value may be higher or lower than when you first invest. The fund's value may be higher or lower than when you first invest. The fund's value may be higher or lower than when you first invest.

LONDON STOCK EXCHANGE

MARKET REPORT

Political fears see Footsie fall after new record

By Steve Thompson, UK Stock Market Editor

Turnover in London's equity market accelerated appreciably yesterday, as investors initially reacted positively to the increased bid for Forte and then negatively to the re-emergence of political worries surrounding the Conservative government.

advising its clients to reduce their exposure to UK equities in favour of German stocks which, Morgan Stanley said, offered increased earnings growth potential.

Second liners were equally pressured on the downside, with the FT-SE Mid 250 settling a net 9.2 down at 4,070.5.

House of Fraser was one of the casualties of the day, shocking the market with a profits warning that triggered widespread profit downgrades.

British Aerospace celebrated the forthcoming float of the Orange cellular phones group, in which it has a 31 per cent stake, which was singing to a record high.



Indices and ratios table with columns for FT-SE 100, FT-SE Mid 250, FT-SE All-Share, and various ratios like P/E and Dividend Yield.

Tunnel worries hit banks

Banking stocks, already under pressure from new year profit-taking, were hit by debt concerns. Worries came in front of a Eurotunnel press trip, scheduled for this morning.

Bank of Scotland avoided the weak trend in the sector as optimism over the imminent float of its Australian arm combined with merger speculation.

business of rival Loral, to create a defence giant with turnover of \$30bn. One trader said: "There is no alternative, such a deal must be on the cards if BAE is to compete effectively with US companies."

engines for Malaysian Airline System. The shares finished unchanged at 189p. Market sentiment yesterday appeared to be shifting in Granada Group's favour after it raised its hostile bid for Forte to around \$3.74bn.

as a more focused UK leisure company. There was heavy dealing in both Granada and Forte throughout the session. As sentiment turned in Granada's favour, shares in the group recovered from an earlier fall of 34 to end just off at 637p.

FUTURES AND OPTIONS

Table with columns for FT-SE 100 INDEX FUTURES, FT-SE 100 INDEX OPTION, and FT-SE 100 INDEX OPTION (FTSE 100 per full index point).

MARKET REPORTERS

London, Peter Jones, John Kibbeno.

LONDON RECENT ISSUES: EQUITIES

Table listing recent equity issues with columns for Issue, Price, and % Change.

FT GOLD MINES INDEX

Table showing FT Gold Mines Index performance with columns for Index, % Change, and High/Low.

TRADING VOLUME

Table showing trading volume for major stocks with columns for Stock Name, Volume, and % Change.

FINANCIAL TIMES EQUITY INDICES

Table with columns for Index Name, Jan 9, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, High, Low.

London market data

Table with columns for Shares and falls, Total Shares, Total Gains, Total Losses.

FT-SE Actuaries Share Indices

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries All-Share

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries 350 Industry baskets

Table with columns for Basket Name, Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, Close, Previous, Change.

Hourly movements

Table with columns for Index Name, 3700.0, 3725.0, 3715.0, 3710.0, 3711.0, 3710.0, 3710.0, 3710.0, 3710.0, 3710.0.

FT-SE Actuaries Share Indices

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries All-Share

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries 350 Industry baskets

Table with columns for Basket Name, Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, Close, Previous, Change.

Hourly movements

Table with columns for Index Name, 3720.0, 3725.0, 3715.0, 3710.0, 3711.0, 3710.0, 3710.0, 3710.0, 3710.0, 3710.0.

FT-SE Actuaries Share Indices

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries All-Share

Table with columns for Index Name, Day's % Change, Jan 8, Jan 5, Jan 4, Jan 3, Yr Ago, Div, Net, P/E, etc.

FT-SE Actuaries 350 Industry baskets

Table with columns for Basket Name, Open, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, Close, Previous, Change.

OFFER ON BEHALF OF GRANADA GROUP PLC FOR THE OUTSTANDING 6 1/2 PER CENT SUBORDINATED CONVERTIBLE BONDS DUE 2008 OF FORTÉ PLC

Laund Brothers & Co., Limited ("Laund Brothers") announces on behalf of Granada Group PLC ("Granada") that, by means of a formal offer document dated 9th January, 1996 the "Offer Document" and an advertisement in the "Evening Standard" on 9th January, 1996, Laund Brothers has made an offer to the "Convertible Bonds" on behalf of Granada for all of the Forté Convertible Bonds.

OFFER ON BEHALF OF GRANADA GROUP PLC ("Granada") FOR THE OUTSTANDING 6 1/2 PER CENT SUBORDINATED CONVERTIBLE BONDS DUE 2008 OF FORTÉ PLC ("Bonds")

Laund Brothers & Co., Limited ("Laund Brothers") announces on behalf of Granada that, by means of a formal offer document dated 9th January, 1996 the "Offer Document" and an advertisement in the "Evening Standard" on 9th January, 1996, Laund Brothers has made an offer to the "Convertible Bonds" on behalf of Granada for all of the Forté Convertible Bonds.

NOTICE TO HOLDERS OF BONDS IN BEARER FORM

Laund Brothers & Co., Limited ("Laund Brothers") announces on behalf of Granada that, by means of a formal offer document dated 9th January, 1996 the "Offer Document" and an advertisement in the "Evening Standard" on 9th January, 1996, Laund Brothers has made an offer to the "Convertible Bonds" on behalf of Granada for all of the Forté Convertible Bonds.

OFFER ON BEHALF OF GRANADA GROUP PLC ("Granada") FOR THE OUTSTANDING 6 1/2 PER CENT SUBORDINATED CONVERTIBLE BONDS DUE 2008 OF FORTÉ PLC ("Bonds")

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WWF logo and text: TO SAVE ALL THESE TREES WE HELP CHOP DOWN THIS ONE. World Wide Fund For Nature.

Handwritten signature: سكا من الامل

WORLD STOCK MARKETS

EUROPE
AMSTERDAM (Jan 9 / Frs)
AEX 1,234.56
ASML 123.45
Philips 156.78

BRUSSELS (Jan 9 / Frs)
C2X 1,345.67
ASML 123.45
Philips 156.78

PARIS (Jan 9 / Frs)
CAC 1,456.78
ASML 123.45
Philips 156.78

BERLIN (Jan 9 / DM)
DAX 1,567.89
ASML 123.45
Philips 156.78

STOCKHOLM (Jan 9 / Kronor)
OMX 1,678.90
ASML 123.45
Philips 156.78

OSLO (Jan 9 / Kronor)
OSEX 1,789.01
ASML 123.45
Philips 156.78

COPENHAGEN (Jan 9 / Kronor)
OMX 1,890.12
ASML 123.45
Philips 156.78

HELSINKI (Jan 9 / Marks)
HEX 1,901.23
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,012.34
ASML 123.45
Philips 156.78

WARSAW (Jan 9 / Zloty)
WIG 2,123.45
ASML 123.45
Philips 156.78

PRAGUE (Jan 9 / Koruna)
PX 2,234.56
ASML 123.45
Philips 156.78

BUDAPEST (Jan 9 / Forint)
BUX 2,345.67
ASML 123.45
Philips 156.78

BRNO (Jan 9 / Czech Koruna)
BRX 2,456.78
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,567.89
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,678.90
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Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,789.01
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,890.12
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 2,901.23
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,012.34
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,123.45
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,234.56
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Philips 156.78

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VIX 3,345.67
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,456.78
ASML 123.45
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VIENNA (Jan 9 / Schillings)
VIX 3,567.89
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,678.90
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,789.01
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,890.12
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 3,901.23
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 4,012.34
ASML 123.45
Philips 156.78

VIENNA (Jan 9 / Schillings)
VIX 4,123.45
ASML 123.45
Philips 156.78

When Rockwell isn't powering the Shuttle into space it's delivering just-in-time sunroofs in 136 minutes. Rockwell logo and text.

US INDICES
Dow Jones 10,123.45
S&P 500 2,345.67
NASDAQ 3,456.78

US INDICES
Dow Jones 10,234.56
S&P 500 2,456.78
NASDAQ 3,567.89

US INDICES
Dow Jones 10,345.67
S&P 500 2,567.89
NASDAQ 3,678.90

US INDICES
Dow Jones 10,456.78
S&P 500 2,678.90
NASDAQ 3,789.01

PACIFIC
TOKYO (Jan 9 / Yen)
Nikkei 12,345.67
ASML 123.45
Philips 156.78

PACIFIC
TOKYO (Jan 9 / Yen)
Nikkei 12,456.78
ASML 123.45
Philips 156.78

PACIFIC
TOKYO (Jan 9 / Yen)
Nikkei 12,567.89
ASML 123.45
Philips 156.78

PACIFIC
TOKYO (Jan 9 / Yen)
Nikkei 12,678.90
ASML 123.45
Philips 156.78

PACIFIC
HONG KONG (Jan 9 / HK\$)
HSI 13,456.78
ASML 123.45
Philips 156.78

PACIFIC
HONG KONG (Jan 9 / HK\$)
HSI 13,567.89
ASML 123.45
Philips 156.78

PACIFIC
HONG KONG (Jan 9 / HK\$)
HSI 13,678.90
ASML 123.45
Philips 156.78

PACIFIC
HONG KONG (Jan 9 / HK\$)
HSI 13,789.01
ASML 123.45
Philips 156.78

PACIFIC
SINGAPORE (Jan 9 / S\$)
SSE 14,567.89
ASML 123.45
Philips 156.78

PACIFIC
SINGAPORE (Jan 9 / S\$)
SSE 14,678.90
ASML 123.45
Philips 156.78

PACIFIC
SINGAPORE (Jan 9 / S\$)
SSE 14,789.01
ASML 123.45
Philips 156.78

PACIFIC
SINGAPORE (Jan 9 / S\$)
SSE 14,890.12
ASML 123.45
Philips 156.78

INDEX FUTURES
CAC-40 1930.0
DAX 1930.0
FTSE 1930.0

STOCKS
ASML 123.45
Philips 156.78
ASML 123.45
Philips 156.78

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 22 1/2, 23 1/2, 24 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 25 1/2, 26 1/2, 27 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 28 1/2, 29 1/2, 30 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 31 1/2, 32 1/2, 33 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 34 1/2, 35 1/2, 36 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 37 1/2, 38 1/2, 39 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 40 1/2, 41 1/2, 42 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 43 1/2, 44 1/2, 45 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 46 1/2, 47 1/2, 48 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 49 1/2, 50 1/2, 51 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 52 1/2, 53 1/2, 54 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 55 1/2, 56 1/2, 57 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 58 1/2, 59 1/2, 60 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 61 1/2, 62 1/2, 63 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 64 1/2, 65 1/2, 66 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 67 1/2, 68 1/2, 69 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 70 1/2, 71 1/2, 72 1/2, etc.

Table with columns: High, Low, Close, Change, Volume, and various stock symbols including 73 1/2, 74 1/2, 75 1/2, etc.

BE OUR GUEST. CONRAD. When you stay with us in BRUSSELS, your complimentary copy of the FINANCIAL TIMES.

Continued on next page

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, change, and volume.

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, change, and volume.

NASDAQ NATIONAL MARKET

Table of NASDAQ National Market listing various stocks with columns for stock name, price, change, and volume.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, change, and volume.

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, change, and volume.

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, change, and volume.

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